

ORIGINAL

Decision No. 62842

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
H. A. ROCHLITZ and E. J. ROCHLITZ, )  
copartners doing business as H. A. )  
& E. J. ROCHLITZ TRUCKING, for )  
authority to depart from the )  
provisions of Minimum Rate Tariff )  
No. 2. )

Application No. 43644

Mitchell & Henderson, by R. C. Dedekam, for applicants.  
James V. Callison, for Callison Truck Lines, Inc.,  
interested party.  
John R. Laurie and R. J. Carberry, for the Commission  
staff.

O P I N I O N

H. A. Rochlitz and E. J. Rochlitz, copartners doing business as H. A. & E. J. Rochlitz Trucking, operate as a highway contract carrier in the transportation of lumber between points in Humboldt County. By this application, as amended, they seek authority to transport lumber for Van Vleet Wood Products between two Arcata plants of the latter company at a rate which is less than the applicable minimum rate. Applicants also seek authority to use an estimated weight in lieu of actual weights, in the computation of transportation charges.

Public hearing of the application was held before Examiner Carter R. Bishop at Eureka on September 26, 1961. Evidence on behalf of the carrier was offered through one of its partners. Members of the Commission's Transportation Division staff assisted in the development of the record.

The movement here under consideration is from Van Vleet Wood Products Plant No. 1, located at the foot of H Street, Arcata,

to that company's Plant No. 3, which is just outside the northerly city limits of Arcata. The property at Plant No. 1 is partly within, and partly outside, the city limits, but the mill itself is entirely outside said limits. The applicable minimum rate for the lumber haul in question is  $4\frac{1}{2}$  cents per 100 pounds, minimum weight 44,000 pounds.<sup>1/</sup> Applicants seek authority herein to apply, in lieu thereof, a rate of 2.17 cents per 100 pounds, with no change in the truckload minimum weight. The estimated weight proposed in connection with this transportation is 3.5 pounds per board foot.

The carrier's principal activity, the record shows, is the transportation of lumber from Hoopa to Arcata. From time to time, however, Van Vleet, the aforesaid shipper, requires the movement of lumber from Plant No. 1 to Plant No. 3 for further processing. This latter movement, which is the subject of the present application, averages 145 loads per month. The average weight per load is 46,000 pounds. Recently applicants were notified by Van Vleet that, because of competitive conditions in the lumber market, \$10.00 per load would be the maximum amount the latter company could pay for the hauls between the two Arcata plants. The sought rate of 2.17 cents is the equivalent, in cents per 100 pounds, of said charge of \$10.00, predicated on the above-mentioned average weight per load.

The testimony of the copartner discloses that the operation in question is a highly efficient one. While the route of movement between the mills, involving a distance of  $2\frac{1}{2}$  miles, passes through the City of Arcata, city traffic is largely avoided as applicants'

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<sup>1/</sup> This rate, for constructive highway distances of 0-3 miles, is set forth in Item No. 690 series of Minimum Rate Tariff No. 2.

trucks are on a freeway for most of the route. The round trip time, including loading and unloading, is 45 minutes. Hauls are performed at the convenience of the carrier and are usually scheduled as a "fill-in" between or after other trucking operations, when the carrier's equipment would otherwise be out of service.

Because applicants do not maintain separate cost data for the Arcata interplant operation, the witness pointed out that it would be difficult to develop accurate estimates of operating results under the proposed rate. The record includes, however, a summary of operating expenses incurred during a recent 12-month period, in connection with the carrier's total operation. From these figures the witness developed an average cost of 59.7 cents per mile. This figure produced an estimated round trip cost for the operation here in issue of \$2.70. Since, however, the haul between the mills is very short, involving a proportionately larger labor factor as compared with overhead expense, the witness added an arbitrary "excess" labor expense factor of \$2.50 per trip<sup>2/</sup> to the above-mentioned figure of \$2.70. Thus, he arrived at an estimated operating cost of \$5.20 per round trip. This figure is to be compared with the proposed rate of \$10.00 per load.

Through examination it developed that the system expenses of record, on which the above-mentioned average cost per mile is based, included no allowance for compensation of the partners as managers of the carrier operation. The record shows, however, that applicants have other business interests and it appears that only a portion of their time is devoted to their trucking business.

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<sup>2/</sup> According to the record, applicants' drivers receive a basic wage rate of \$2.00 per hour.

In support of applicants' proposal to use an estimated weight of 3.5 pounds per board foot the witness pointed out that there is no public scale on the route of movement between the two Van Vleet plants and that the nearest scale is some distance south of Plant No. 1, the point of origin. This situation involves an out of line haul with each load from said plant to the scale and return, before delivery to Plant No. 3. The use of estimated weights, the record shows, will make unnecessary the out of line haul to the scale and will enable the carrier to conduct the operation here in issue with maximum efficiency and in the most economical manner. Green lumber only is involved and the proposed estimated weight is predicated on several tests which the carrier made to determine a representative figure.

While the record does not contain precise calculations of the costs of rendering the service for which relief is herein sought, the evidence is persuasive that applicants can profitably perform the transportation in question at the sought rate. It appears, moreover, that if the application herein should not be granted the shipper will perform the interplant service with its own trucks and that the traffic in question will be lost to for-hire carriage.

After careful consideration of the evidence we hereby find that the proposed rate will be reasonable. We further find that the sought relief from the weighing requirement of the minimum rate tariff, and the use in lieu thereof of the proposed estimated weight, have been justified. The application will be granted. Because the conditions under which service is performed may change at any time, the authority will be made to expire at the end of one year, unless sooner canceled, changed or extended by order of the Commission.

O R D E R

Based upon the evidence of record and upon the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED that:

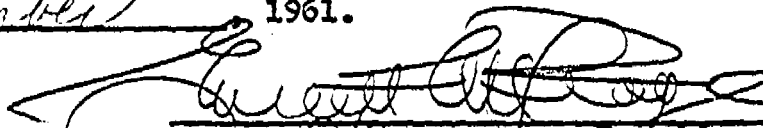


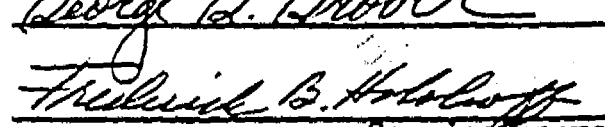
1. H. A. Rochlitz and E. J. Rochlitz, copartners operating as a highway contract carrier, are hereby authorized to transport lumber from Plant No. 1 of Van Vleet Wood Products to Plant No. 3 of that company, both plants being located at Arcata, at a rate less than the established minimum rate but not less than 2.17 cents per 100 pounds, minimum weight 44,000 pounds.

2. Applicants are authorized to assess charges for the transportation described in numbered paragraph 1 of this order on the basis of an estimated weight of 3.5 pounds per board foot in lieu of actual weight.

3. The authority herein granted shall expire one year after the effective date of this order unless sooner canceled, changed or extended by order of the Commission.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this  
21st day of November, 1961.

  
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President  
  
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Commissioners