

**ORIGINAL**Decision No. 67802

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 JAMES A. ROLLERI, doing business as )  
 ROLLERI TRUCKING CO., for authority )  
 to depart from the rates, rules and )  
 regulations of Minimum Rate Tariff )  
 No. 2, under the provisions of the )  
 Highway Carriers Act on Transporta- )  
 tion for INTERNATIONAL PAPER CO. )

Application No. 46628  
 (Filed May 12, 1964)

Francis X. Vieira, for applicant.  
C. D. Gilbert, A. D. Poe and H. F. Kollmyer,  
 for California Trucking Association,  
 interested party.  
Arthur F. Burns and E. M. Jennings, for the  
 Commission staff.

O P I N I O N

By this application, James A. Rolleri, a radial highway common carrier, seeks authority to charge a rate less than the established minimum rate for the transportation of green fir veneer in truckload lots from the mill of Trinity Alps Lumber Co. near Hayfork (Trinity County) to the plant of International Paper Co. at Weed (Siskiyou County). Specifically, Rolleri seeks to assess a rate of 30 cents per 100 pounds, minimum weight 48,000 pounds instead of the currently applicable minimum rate of 34 cents per 100 pounds, minimum weight 53,000 pounds.<sup>1</sup>

This application was heard before Examiner Lane at Redding on August 5, 1964. The matter was taken under submission upon receipt on August 12, 1964, of late-filed Exhibit No. 7 from applicant.

<sup>1</sup>

The currently applicable rate is a combination of a rate of 16½ cents, minimum weight 53,000 pounds, published by Winans Bros. Trucking Company from Hayfork to Redding (Item No. 290, California Motor Tariff Bureau Local Freight Tariff No. 2, Cal.P.U.C. No. 5 of A. H. Glickman, Agent) and a rail rate of 17½ cents, minimum weight 34,000 pounds from Redding to Weed (Item No. 3946, Supplement 200, Pacific Southcoast Freight Bureau, Agent, Tariff No. 48-U).

Testimony in support of the application was presented by applicant, by a public accountant, and by the superintendent of the plywood division of the International Paper Co. (International). A representative of the California Trucking Association and members of the Commission staff assisted in developing the record. There is no opposition.

Rolleri has been in the trucking business for over 17 years and has operated as a sole proprietorship for over 4 years. His headquarters are at Red Bluff. He transports lumber, plywood, veneer and occasional shipments of general commodities. His equipment consists of a single unit comprised of a flat-bed truck and full trailer capable of handling a payload of about 51,000 pounds. Applicant does all of the driving and most of the preventive maintenance on the equipment. Repairs, when needed, are done by an independent repairman. Rolleri does the billing, day-to-day bookkeeping and related paperwork, assisted by his wife. General accounting and other required bookwork are done by the aforesaid public accountant.

The movement from Hayfork to Weed is over good, paved roads. The one-way distance is about 149 actual miles. Under Distance Table No. 4, it is 187 constructive miles. About 13 hours are required to complete the round-trip from Red Bluff to Hayfork to Weed and return to Red Bluff, including time for loading, unloading and meals.

Rolleri has not handled any of the veneer in 1964. During 1963, he handled 109 loads of veneer and utilized the service of sub-haulers to transport an additional 11 loads. This traffic represented between 45 and 48 percent of his 1963 tonnage. Under the current rate, two loads are required to make up a single shipment because of the minimum weight requirements. Under the proposed rate, each truckload would constitute a single shipment.

According to the record, International stopped purchasing the Hayfork veneer at the beginning of 1964 because the current rate between Hayfork and Weed made the delivered price too high. International is currently purchasing veneer from Medford, Oregon, which moves at a truckload cost of about \$80. International's superintendent said that the high costs of transporting the Hayfork veneer to Weed, in the face of the highly competitive nature of the plywood market, prevented International from purchasing veneer at Hayfork. He said that while the difference in rate may not appear to be great based on an individual load, the volume of the veneer which would be handled over a period of a year makes the proposed reduction an important consideration in the purchase of veneer. If the proposed rate is authorized, International Paper Co. plans to purchase one day's production of Trinity Alps Lumber Company veneer each week and utilize Rolleri to perform the transportation. This would amount to six truckloads per week. Moreover, he said that International was planning to expand its operations at Weed which would require additional supplies of veneer and could increase the volume of tonnage between Hayfork and Weed. If the proposed rate is not authorized, International does not plan further purchases of veneer at Hayfork.

The superintendent said that the veneer from Hayfork had certain advantages over that from Medford. A combination of manufacturing techniques and raw material at Hayfork, he said, produced veneer that required less glue and had more reliable bonding characteristics than the veneer produced at Medford.

Applicant asserts that based on his experience the transportation of the veneer at the rates sought will be profitable.

His statement is supported by revenue and expense figures developed by the public accountant for the involved movement. The accountant used as the basis for his figures the tonnage and mileage operated in 1963 by applicant in this service. This transportation involved 5,546,974 pounds of veneer and a total distance of 28,558 miles. The accountant included in his figures provisions for drivers' wages, overtime payments and so-called fringe benefits. The revenues under the sought rate and the expenses as developed by the accountant are summarized below:

Revenues and Expenses at Proposed Rate for  
Transportation of Veneer from Hayfork to Weed

Revenues	\$16,640.91
Operating Expenses	<u>\$12,993.48</u>
Net Profit Before Income Taxes	\$ 3,647.43

The accountant said that increased traffic in the future, which may be anticipated under International's expansion program, would improve both the revenue and the profit pictures.

The staff questioned certain of applicant's expense figures; however, it was not suggested that applicant's revenue and expense figures do not reasonably reflect the anticipated operating experience on the proposed movement of veneer.

The record shows that the transportation of the veneer in question at the proposed rate may reasonably be expected to be profitable to applicant. The Commission finds that the proposed rate is reasonable.

The Commission concludes that the application should be granted.

As the conditions surrounding the transportation may change, the authority should be limited to expire one year from the date hereof, unless sooner canceled, modified or extended by order of the Commission.

O R D E R

IT IS ORDERED that:

1. James A. Rolleri is authorized to transport fir veneer from the mill of Trinity Alps Lumber Co. at Hayfork to the plant of International Paper Co. at Weed at a rate less than the established minimum rate but not less than 30 cents per 100 pounds, minimum weight 48,000 pounds per truckload.

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

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of September, 1964.

Frederick B. Hohlhoff  
President  
Creed W. Kaga  
George H. Trover  
William C. Bennett  
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.