

Decision No. 70723**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 HAROLD W. SIMMONS, doing business as  
 SIMMONS TRUCKING, for Authority to  
 Depart from the Provisions of  
 Minimum Rate Tariff No. 2.

Application No. 48239  
 (Filed February 9, 1966)

Harold W. Simmons, applicant.  
J. C. Kaspar, A. D. Poe, and H. F. Kollmyer,  
 for California Trucking Association,  
 interested party.  
J. C. Matson and R. W. Stich, for the  
 Commission staff.

O P I N I O N

Public hearing was held and the matter submitted before Examiner Mallory at Eureka on April 7, 1966.

Applicant, a highway permit carrier, seeks authority to charge a rate less than the established rate in Minimum Rate Tariff No. 2 for the transportation of fir lumber for McNord Lumber Company, from that company's plant to dry kilns located on the property of Cannon Ball Lumber Co., a distance of 1/4 mile. The sought rate is 2 cents per 100 pounds; minimum weight 50,000 pounds per load. The present minimum rate is 5.25 cents per 100 pounds, minimum weight 44,000 pounds per shipment. Applicant also seeks to depart from the requirements of Minimum Rate Tariff No. 2 by applying an estimated weight of 2.75 pounds per board foot to this transportation.

Testimony in support of the application was presented by applicant and by a representative of the shipper. No one opposed the granting of the relief sought. Representatives of California Trucking Association and the Commission staff assisted in the development of the record.

Applicant testified concerning the circumstances surrounding the transportation, and furnished estimates of the elements of costs of providing service under the sought rates. He stated that the shipper will require the movement of approximately 40 loads per month, which may be moved at the convenience of the carrier. Applicant intends to haul approximately 8 loads per day using a single truck and trailer unit. Loading and unloading of the equipment will be performed with labor and equipment furnished by the shipper. A test run was made, in which eight loads were transported. The total time to complete the test run, including movement from and to applicant's terminal, was seven hours. The total mileage was 20 miles.

In support of the request to apply an estimated weight, applicant testified that substantial extra mileage and costs would be incurred if he is required to weigh each load. The round trip distance to nearest public scales is approximately 7-1/2 miles. A weighing charge of \$1.00 per load would be incurred. The proposed estimated weight was developed by weighing sample loads, and is slightly higher than the estimated weight for green fir lumber used in the trade.

An owner-partner of McNord Lumber Company testified that his company proposes to buy trucking equipment for other operations of the company, and that if the relief sought herein is not granted, such equipment also would be used for the haul from the company's yard to the dry kiln.

From the information developed at the hearing, the following are applicant's estimated costs of hauling eight loads during a period of seven hours between the points involved herein:

TABLE I

<u>Direct Expenses:</u>	
Driver's wages (including payroll overhead expenses)	\$28.00
Vehicle running costs	3.00
Vehicle fixed costs	13.43
Vehicle licenses and taxes	<u>2.20</u>
Sub-total	\$46.63
<u>Costs Based on Revenue:</u>	
Gross Revenue Taxes	\$ 1.47
Insurance	<u>2.40</u>
Sub-total	\$ 3.87
<u>Indirect Expenses:</u>	
23.2% of direct expenses	<u>10.82</u>
Total	<u>\$61.32</u>

Based on the figures in Table I, the total cost per load is \$7.66. The charge per load, based on the sought rate of 2 cents per 100 pounds and minimum weight of 50,000 pounds, is \$10.00. It is apparent that the sought rate will be compensatory.

Upon consideration of the record we find:

1. The estimated operating costs for the transportation services here in issue, as set forth in Table I, are reasonable for the purposes of this proceeding.
2. The proposed rate and estimated weight will be reasonable and the proposed rate is compensatory.

The Commission concludes that the application should be granted, and such authority should be limited to a period of approximately one year.

ORDER

IT IS ORDERED that:

1. Harold W. Simmons, doing business as Simmons Trucking, is hereby authorized, as a highway contract carrier, to transport green fir lumber from McNord Lumber Company to Cannon Ball Lumber Company (both located in Glendale Township, Humboldt County) at a rate less than the established minimum rate in Minimum Rate Tariff No. 2, but

not less than a rate of 2 cents per 100 pounds, minimum weight 50,000 pounds. Applicant is also authorized to assess charges based upon an estimated weight of 2.75 pounds per board foot. In all other respects, the provisions of Minimum Rate Tariff No. 2 shall apply.

2. The authority granted herein shall expire June 1, 1967, unless sooner changed, canceled or extended by further order of the Commission.

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

San Francisco  
Dated at \_\_\_\_\_, California, this 17<sup>th</sup>  
day of MAY, 1966.

Frederick B. Holdhoff  
President

John H. [unclear]

George L. Hoover

[unclear]

William M. Beaud  
Commissioners