

ORIGINALDecision No. 70754

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation
 into the rates, rules, regulations,
 charges, allowances and practices
 of all common carriers, highway
 carriers and city carriers
 relating to the transportation
 of any and all commodities between
 and within all points and places
 in the State of California
 (including, but not limited to,
 transportation for which rates
 are provided in Minimum Rate
 Tariff No. 2).

Case No. 5432
 Petition for Modification No. 399
 (Filed December 9, 1965)

Norman E. Sutherland, for Mitchell Bros. Truck
 Lines, petitioner.
C. D. Gilbert, A. D. Poe and H. F. Kollmyer, for
 California Trucking Association, protestant.
Armand Karp, for Callison Truck Lines, Inc.,
 interested party.
R. J. Carberry and Arthur F. Burns, for the
 Commission's staff.

O P I N I O N

Mitchell Bros. Truck Lines, a corporation, is authorized to operate as a highway common carrier for the transportation of specified lumber and forest products between Crescent City and certain other northern California points, including Arcata. By this petition, it seeks authority to publish a less-than-minimum rate of 15 cents per 100 pounds, minimum weight 50,000 pounds, for the transportation of particleboard, plywood and lumber from Crescent City to Arcata.^{1/} The applicable minimum rates named in Minimum Rate Tariff No. 2 for this transportation are 23 cents per 100 pounds on

^{1/} Petitioner's tariff rates are published in its Local Freight Tariff No. 2, Cal. P.U.C. No. 3. Petitioner's certificate does not authorize the transportation of particleboard or plywood between the points involved herein. With respect to these two commodities, the petition will be considered as seeking such rate relief from Minimum Rate Tariff No. 2 under petitioner's permitted authority as a highway contract carrier.

particleboard and plywood and 21 cents per 100 pounds on lumber, both rates subject to a minimum weight of 44,000 pounds. Authority is also sought to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code in connection with the publication of the proposed rate.

Decision No. 70141, dated December 21, 1965 granted the sought authority on a temporary basis pending a public hearing. Such authority expires June 21, 1966.

Public hearing on the petition was held March 28, 1966 at San Francisco before Examiner Turpen. Petitioner's general manager and representatives of three lumber shippers testified in support of the petition. Representatives of the California Trucking Association and of the Commission's staff assisted in developing the record.

The California Trucking Association protested the granting of the petition to the extent that it involves the publication of the lower rate in petitioner's common carrier tariff on the grounds that, under the alternative application rules of Minimum Rate Tariff No. 2, the rate would become the minimum rate for all permitted carriers.

Petitioner's general manager testified that petitioner has experienced a serious decline in shipments of lumber and forest products from Crescent City during the past three years and that this traffic is of vital importance to its continued operation in that area. He said that lumber traffic will not move at the Minimum Rate Tariff No. 2 rate, and without this traffic petitioner would not be warranted in maintaining its Crescent City terminal. The witness presented an exhibit showing operating results of 23 trips from Crescent City to Arcata during January and February, 1966, under the temporarily authorized rate. These trips included the cost of return movement empty, and the expenses included full allotment for overhead

expenses. The exhibit shows an average per trip revenue of \$76.83 and expense of \$62.90, resulting in a net revenue of \$13.93 per trip and an operating ratio of 81.9 percent.

The president of Hambro Forest Products, Inc., testified that his company recently opened a new plant in Crescent City for the manufacture of particleboard. At present, he said, his company ships 4 or 5 truck and trailer loads per day by petitioner, and will probably increase in the future. He also stated that if the reduced rate is not continued his company would lease or purchase its own trucks to perform the transportation.

Representatives of two other lumber shippers testified to the effect that the Minimum Rate Tariff No. 2 rates are unrealistic and consequently for-hire truck carriers were not used. Their shipments moved by proprietary trucks or by barge. They both said that the reduced rate here in issue will divert much of this traffic to for-hire highway carriers.

In regard to the protest of the California Trucking Association, the record does not show that any other carrier would be damaged by the 15-cent rate being available for use by any permit carrier. On the other hand, the record strongly suggests that availability of the reduced rate will enable other carriers to enjoy traffic they cannot secure under the existing higher rates.

It appears, and the Commission finds, that the proposed rate is reasonable and justified by transportation conditions. We conclude that the petition should be granted. As conditions may change, the authority will be granted for a period of one year, unless sooner canceled, changed or extended by order of the Commission.

O R D E R

IT IS ORDERED that:

1. Mitchell Bros. Truck Lines, a corporation, is hereby authorized, as a highway common carrier, to publish and file a rate of 15 cents per 100 pounds, minimum weight 50,000 pounds, for the transportation of lumber, timbers and railroad ties from Crescent City to Arcata. The rate authorized herein shall be published to expire one year after the effective date of this order.

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

3. Mitchell Bros. Truck Lines, a corporation, is hereby authorized to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code to the extent necessary to exercise the authority granted herein. Schedules containing the rate published under this authority shall make reference to this order.

4. Mitchell Bros. Truck Lines, a corporation, is hereby authorized, as a highway contract carrier, to transport boards or sheets (particleboard), plywood and veneering for Hambro Forest Products, Inc., and Simpson Wholesale Company from Crescent City to Arcata at a rate less than the applicable minimum rate but not less than 15 cents per 100 pounds, minimum weight 50,000 pounds.

5. The authority granted in ordering paragraph 4 above shall expire one year after the effective date of this order.

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

Dated at San Francisco, California, this 25th day of May, 1966.

Frederick B. Hallock
President

[Signature]

George T. Crocker

Augusta

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding. Commissioners