

ORIGINALDecision No. 72282

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 AMERICAN TRANSFER CO., a corporation
 under Section 3666 of the Public
 Utilities Code of the State of Cali-
 fornia, for authority to charge rates
 less than those prescribed in Minimum
 Rate Tariff No. 2 for the transporta-
 tion of lumber from Tollhouse to
 Fresno, California, for the account
 of YANCEY LUMBER CO. and from Dinkey
 Creek to Fresno, California, for the
 account of GENERAL BOX DISTRIBUTORS.

Application No. 49180
 Filed March 2, 1967

INTERIM OPINION AND ORDER

American Transfer Co. is engaged in the transportation of lumber, among other things, as a highway permit carrier. It seeks authority to transport fresh-cut rough lumber for Yancey Lumber Co. and General Box Distributors from Tollhouse and Dinkey Creek, respectively, to Fresno at rates less than the established minimum rates set forth in Minimum Rate Tariff No. 2. The 1967 logging season commences the first part of April. Pending public hearing and final determination of this matter, applicant requests the Commission to grant the sought authority on an interim ex parte basis for a period of six months.

For the transportation of rough green lumber from Tollhouse to Fresno a rate of \$4 per 1,000 board feet, minimum 10,000 board feet per unit of equipment is proposed.¹ For the movement of

¹ Decision No. 69899, dated November 2, 1965, in Application No. 47718, granted applicant temporary authority, which expired on December 31, 1966, to assess a rate of 18 cents per 100 pounds, for shipments of rough green lumber weighing 25,000 pounds or more from the Yancey Lumber Co. mill at Tollhouse to Fresno.

lumber from Dinkey Creek to Fresno, applicant seeks authority to assess a rate of \$8.50 per 1,000 board feet, minimum 10,000 board feet per unit of equipment.

Applicant has allegedly experienced considerable difficulty in observing the established minimum lumber rates in Minimum Rate Tariff No. 2 in connection with shipments from Dinkey Creek to Fresno. The transportation involved herein from both Dinkey Creek and Tollhouse will allegedly be on a 24-hour basis, six days a week. Applicant states that there are no truck scales on route of movement. The carrier also states that there are no off route truck scales available day or night without traversing an excessive amount of out-of-line haul mileage.

Applicant contends that the use of average weights as a basis for charges is not feasible, because the actual weight per 1,000 board feet of fresh-cut rough lumber varies substantially, from approximately 2,000 pounds to 4,000 pounds per 1,000 board feet. The carrier explains that the provided weights in Item 680 of Minimum Rate Tariff No. 2 do not apply to the type and grade of lumber it transports from either Dinkey Creek or Tollhouse. Applicant avers that the use of rates expressed in terms of "cents per 1,000 board feet" in lieu of "cents per 100 pounds", which is the basis used for expressing the minimum lumber rates, is not only necessary because of the lack of truck scale facilities in this particular instance, but also because such units of measurement are in common usage within the lumber industry.

Applicant submits that the proposed rates are just and reasonable and will produce a satisfactory profit to the carrier. Applicant considers the volume of traffic desirable business,

which can be handled without the necessity of acquiring any additional equipment or facilities.

Attached to the application are financial statements which were prepared by applicant's accountant. A statement of American Transfer Co.'s total net income and expenses for an 8-month period ending August 31, 1966, indicates a net income, after state and federal taxes, of \$228,104.53. A cost and revenue projection for a single truckload of fresh-cut rough lumber, originating at either Tollhouse or Dinkey Creek to Fresno, was also prepared by the accountant. The cost and revenue estimates reveal that American Transfer Co. would realize a net profit of \$11.93 per trip for each shipment from Tollhouse and \$30.17 net profit per load from Dinkey Creek.

The certificate of service shows that a copy of the application was served on the California Trucking Association on February 28, 1967. The application was also listed on the Commission's Daily Calendar. No objections have been received to the granting of the sought relief on an interim basis, pending public hearing for the receipt of further evidence.

After consideration, we find that:

1. Applicant has the equipment, facilities and financial ability to initiate and maintain the proposed services.
2. Applicant has demonstrated that under the sought authority potential efficiencies should accrue to the mutual benefit of the shippers and American Transfer Co.
3. Applicant's revenue and expense estimates indicate that the proposed rates will not be less than the cost of performing the service.

4. The volume of traffic and character of movement involved represent attractive tonnage for either for-hire or proprietary transportation.

5. In view of the seasonability of the traffic and the potential economies involved in the proposed operation, the sought relief should be granted for a temporary period of six months to allow applicant an opportunity to develop and present at a public hearing additional evidence, based on actual experience of performing the service, relative to the compensatory nature of the rate proposal.

We conclude that the sought relief should be granted for an interim period of six months, unless sooner canceled, changed or extended by order of the Commission.

IT IS ORDERED that:

1. American Transfer Co., a corporation, is authorized to transport fresh-cut rough lumber for Yancey Lumber Co. and General Box Distributors from Tollhouse and Dinkey Creek, respectively, to Fresno at rates less than the minimum rates established in Minimum Rate Tariff No. 2, but in no event lower in volume or effect than the rates set forth in Appendix A, attached hereto and by this reference made a part hereof.

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

3. A public hearing shall be scheduled in this proceeding at such time as applicant is prepared to proceed with the presentation of additional evidence and final disposition of the application.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 11th
day of APRIL, 1967.

Ed E. Mitchell
President

Hollman Bennett

Augusta

William Lyons, Jr.

Fred P. Monahan
Commissioners

APPENDIX A

APPLICATION OF RATES

Carrier: American Transfer Co.

Shippers: Yancey Lumber Co.
General Box Distributors

Commodity: Fresh-cut rough lumber

From: Tollhouse (Yancey Lumber Company)
Dinkey Creek (General Box Distributors)

To: Fresno

Rates: (1) \$4.00 per 1,000 board feet
(2) \$8.50 per 1,000 board feet
(1) From Tollhouse
(2) From Dinkey Creek

Minimum Weight: 10,000 board feet per unit of carrier's
equipment used.

Application of Rates-General: Except as otherwise provided
herein, the rates and rules of Minimum Rate
Tariff No. 2 shall apply.