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ORIGINAL

Decision No. 72656

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Case No. 5432
Petition for Modification
No. 445
Filed March 13, 1967

J. J. Devine, for petitioner.
R. W. Smith, H. F. Kollmyer and Arlo D. Poe,
for California Trucking Association,
interested party.
Robert W. Stitch and Joseph C. Matson, for
the Commission staff.

O P I N I O N

This petition was heard and submitted April 21, 1967,
before Examiner Thompson at Sacramento. Copies of the petition and
notice of hearing were served in accordance with the Commission's
procedural rules. There are no protests.

Petitioner is Devine & Son Trucking Co., a corporation
engaged in the transportation of lumber and forest products, among
other things, as a highway common carrier. It seeks authority to
publish and maintain a rate of 22 cents per 100 pounds, minimum
weight 45,000 pounds, per unit of carrier's equipment, for the
transportation of lumber from Elk Creek to Rocklin via Marysville.
The minimum rate established by the Commission for such transporta-
tion is 32 cents per 100 pounds, minimum weight 44,000 pounds.

Glenco Forest Products ships a large volume of lumber and other forest products via petitioner. The latter has established an operations base at Glenco with a dispatcher and a fleet of equipment. Loading operations are performed 24 hours a day at Glenco and in many instances trailers are preloaded for immediate dispatching when a tractor becomes available.

For the past two years, petitioner has transported lumber from Glenco to Rocklin Millwork, Inc. The shipments had been regular but not in large volume. Rocklin Millwork, Inc., has recently expanded its facilities to the point of requiring a constant and steady flow of lumber to its mill, and shipments from Glenco to the mill are now made on a daily basis. Glenco operates its own motor trucks and it has informed petitioner that the daily movement of lumber in large volume between the points would make it economically worthwhile for it to transport the shipments unless petitioner can provide it with a reduced rate.

Petitioner made an analysis of the cost of transporting the shipments. The performance factors considered were that the equipment would be loaded in 45 minutes and unloaded in 45 minutes and that it would take 7 hours enroute time for the vehicles to make the round trip of 256 miles. To said performance factors petitioner applied its cost per mile and determined that the direct cost per round trip is \$83.83. It was estimated that the full cost of transporting an average load of 48,000 pounds is \$98.17. The revenue on 45,000 pounds at the 22 cent rate is \$99.00. The revenue on an average load of 48,000 pounds would be \$105.60 which would provide an operating ratio of 92.96 percent.

California Trucking Association (CTA) does not oppose the lower rate sought. It asserts, however, that by reason of the

provisions of Minimum Rate Tariff No. 2 which allow highway permit carriers to use the published rates of common carriers in combinations with other rates, the rate proposed by petitioner should be restricted to the route used by petitioner in transporting the shipments. The evidence discloses that the route of movement from Elk Creek to Rocklin is via Willows, Marysville and Lincoln. Petitioner assented to restricting the application of the proposed rate to that routing.

We find that the proposed reduced rate is justified by transportation conditions. We conclude that petitioner should be authorized to establish, on not less than ten days' notice to the Commission and to the public, the proposed rate restricted in application to a route of movement from Elk Creek to Rocklin via Willows, Marysville and Lincoln. We further conclude that because the transportation conditions justifying the establishment of the proposed rate are subject to change, the authority to maintain said rate should be scheduled to expire after one year unless sooner canceled, modified or extended by order of the Commission.

O R D E R

IT IS ORDERED that:

1. Devine & Son Trucking Co., a corporation, is authorized to establish and maintain a reduced rate of 22 cents per 100 pounds, minimum weight 45,000 pounds, for the transportation of lumber from Elk Creek to Rocklin via Willows, Marysville and Lincoln.
2. The authority granted in the preceding paragraph shall expire July 1, 1963 unless sooner canceled, modified or extended by order of the Commission.

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

4. The authorities granted herein shall lapse and terminate unless exercised within sixty days 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 27th day of JUNE, 1967

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.