

**ORIGINAL**Decision No. 73338

## 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 )  
 California, for authority to charge )  
 rates less than those prescribed in )  
 Minimum Rate Tariff No. 2 for the )  
 transportation 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)

William H. Kessler, for American Transfer Co.,  
 applicant.

Arlo D. Poe, H. F. Kollmyer and Ronald C. Broberg,  
 for California Trucking Association, interested  
 party.

Joseph C. Matson and R. E. Douglas, for the  
 Commission staff.

O P I N I O N

By Decision No. 72282, dated April 11, 1967, American Transfer Co. was granted temporary authority, pending public hearing and final determination of its application, 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 expiration date of October 11, 1967 for the temporary authority granted in said decision was extended to December 31, 1967 by Decision No. 73151, dated October 3, 1967. For the transportation of fresh-cut rough lumber from Tollhouse to Fresno, applicant was authorized to assess a rate of \$4 per 1,000 board feet, minimum 10,000 board feet per unit of equipment. For the

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

Public hearing was held before Examiner Gagnon at Fresno on September 27, 1967 and the matter was submitted on that date. A certified public accountant and a vice president of American Transfer Co. presented evidence in support of the application. Representatives of the California Trucking Association and the Commission staff also participated in the proceeding.

Exhibit A attached to the application is a cost and revenue projection, prepared by applicant's accountant, for a single truckload of fresh-cut rough lumber, originating at either Tollhouse or Dinkey Creek and destined to Fresno. The cost and revenue estimates revealed that American Transfer Co. would realize, under the proposed rates, a profit of \$11.93 per trip from Tollhouse and \$30.17 profit per trip from Dinkey Creek. At the hearing the accountant introduced Exhibit 1 in evidence, wherein the cost and revenue projections contained in Exhibit A of the application were brought forward in order to show applicant's current cost of performing the transportation involved herein. The accountant's cost and revenue projections in Exhibit 1 reflect the increases in applicant's wage costs and allied payroll expenses as of July 31, 1967. It is estimated that, under the rate proposal and current costs of operations, American Transfer Co. will realize a profit of \$10.32 per trip from Tollhouse and \$26.52 per trip from Dinkey Creek.

The testimony of applicant's vice president primarily related to the unusual circumstances surrounding the transportation in question upon which applicant relies as justification for the continuation of the authority previously granted in this proceeding.

The transportation characteristics surrounding the movement of fresh-cut rough lumber from Tollhouse and Dinkey Creek to Fresno by American Transfer Co. are summarized in the Commission's interim Decision No. 72282. Therefore, further recitation here of such factors is not necessary.

The vice president further explained that while the transportation of fresh-cut rough lumber from Dinkey Creek to Fresno is a seasonal movement commencing around the first week of April and continuing on into November when winter weather curtails the operation for the remainder of the year, the lumber haul from Tollhouse is a year-round operation. He also stated that American Transfer Co. has enjoyed this traffic since 1959 and was fearful that it may be diverted to proprietary operations should the interim authority presently granted applicant be terminated.

From the evidence now before us, it is clear that American Transfer Co. can perform the transportation service involved and realize a net operating profit therefrom. It is equally apparent that the unusual circumstances surrounding the movement of fresh-cut rough lumber from Tollhouse and Dinkey Creek justifies the requested extension of the temporary authority previously granted applicant.

We find that:

1. Applicant's results of operations under the interim authority granted by Decision No. 72282 have been profitable.
2. The present authorized rates are not less than applicant's current cost of performing the transportation.
3. Applicant's present rates are compensatory.
4. Applicant's present rates are reasonable and justified under existing transportation conditions.

5. Should applicant's interim rate authority be terminated, the transportation involved may be diverted to proprietary operations.

6. Applicant has demonstrated efficiencies of operation under the existing temporary rate authority, herein sought to be continued, which accrue to the mutual benefit of American Transfer Co. and shippers.

We conclude that extension of the interim authority granted by Decision No. 72282 and Decision No. 73151 should be authorized and, since transportation conditions are subject to change, such extended authority should be scheduled to expire December 31, 1968.

O R D E R

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 set forth 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.

A. 49180 lm

2. The authority granted herein is in lieu of the interim authority granted in Decision No. 72282 and Decision No. 73151 and shall expire December 31, 1968, 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 14<sup>th</sup> day of NOVEMBER, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
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 Quantity: 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.