

ORIGINAL

Decision No. 77765

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of LORIN A. WALDRON, an individual,
for authority under Section 3666 of
the Public Utilities Code, to
charge less than the minimum rates
established by the Commission for
the transportation of lumber, in
truckload lots, for the Michigan-
Cal Lumber Company.

Application No. 51949
(Filed June 8, 1970)

Eugene J. McSweeney and Kenneth L. Bowes,
for applicant.
J. C. Kaspar, A. D. Poe and H. F. Kollmyer,
for California Trucking Association,
interested party.
Joseph C. Matson, for the Commission staff.

O P I N I O N

Lorin A. Waldron, an individual, operates as a radial highway common carrier. By this application, he seeks authority under Section 3666 of the Public Utilities Code to charge less than the minimum rates for the transportation of lumber for the Michigan-Cal Lumber Company. Applicant proposes to charge a rate of 16 cents per 100 pounds, minimum weight 50,000 pounds, from Camino to Sacramento and North Sacramento. The rate named in Minimum Rate Tariff No. 2 is 20 cents per 100 pounds, 50,000 pounds minimum weight.

Public hearing on the application was held July 30, 1970, at Sacramento, before Examiner Turpen. Applicant and the sales manager of the shipper testified in support of the application. Representatives of the California Trucking Association and of the Commission staff assisted in developing the record by cross-examination of the witnesses.

The record shows that applicant operates three sets of diesel truck and trailer units. Eventually he expects to transport as many as five loads a day, five days per week, for 45 weeks per year. The lumber is loaded by the shipper in strap-banded units and is unloaded by the consignee. Loading and unloading time is very short. Applicant introduced an exhibit in which he developed a study of the costs of performing the transportation. This study shows that for the round trip of 112 miles to Sacramento the cost per load comes to \$68.15, and for the 114-mile round trip to North Sacramento, the cost amounts to \$68.46. In both cases the revenue under the proposed rate would be \$80. On cross-examination it was developed that applicant had failed to include a cost of \$1.50 per trip for weight scale tickets, and that there were other minor variations in the cost figures that he could not fully support. However, it is clear that there is sufficient margin of profit in his cost figures, over \$11 per trip, so that if all questionable items were to be given full possible effect, the operation would still be conducted at a reasonable profit.

It is clear that with the conditions involved herein, including the unusually favorable loading and unloading times, it is possible for applicant to perform the subject transportation at considerably less than the usual cost.

The Commission finds that applicant can perform the transportation here involved at a reasonable profit under the proposed rate and that such rate is reasonable. We conclude that the application should be granted. As conditions may change, the authority herein granted will be for a one-year period.

Applicant is placed on notice that if he seeks to renew the authority next year, he should fully support all cost figures

based on actual operations during the time this authority is in effect and to file early enough so that if it is deemed necessary to hold a hearing, it can be timely scheduled.

O R D E R

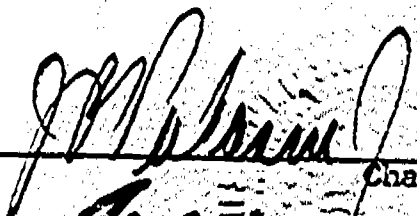
IT IS ORDERED that:

1. Lorin A. Waldron, an individual, is authorized to transport lumber for the Michigan-Cal Lumber Company from Camino to Sacramento and North Sacramento at rates less than those named in Minimum Rate Tariff No. 2, but not less than those named in Appendix A, attached hereto and by this reference made a part hereof.

2. The authority herein granted shall expire one year after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 22nd day of SEPTEMBER, 1970.



Chairman



Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

-3- Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

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APPENDIX A

CARRIER: LORIN A. WALDRON.

COMMODITY: LUMBER.

FROM: MICHIGAN-CAL LUMBER CO., CAMINO, CALIFORNIA.

TO: EXTENDED AREAS OF SACRAMENTO AND NORTH SACRAMENTO
AS DESCRIBED ON PAGE 246 OF CAL. P.U.C. DISTANCE
TABLE NO. 7. CONSTRUCTIVE MILEAGES 56 AND 57.

RATE: 16 CENTS PER 100 POUNDS.

MINIMUM
WEIGHT
AND
CONDITION: 50,000 POUNDS PER TRUCK AND TRAILER LOAD WHEN
LOADED ON CARRIERS EQUIPMENT BY SHIPPER AND
UNLOADED FROM CARRIERS EQUIPMENT BY CONSIGNEE
WITH THEIR OWN FORK LIFTS.

All other provisions of Minimum Rate Tariff No. 2
shall apply.

END OF APPENDIX A