

ORIGINAL

Decision No. 79307

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Herbert A. Rochlitz and Wayne H.  
Rochlitz, dba DOUBLE R TRANSPORT,  
for relief from the provisions of  
Item 170 of Minimum Rate Tariff  
No. 2 for the account of National  
Biscuit Co.

Application No. 52067

(Filed July 24, 1970,  
Amended April 12, 1971)

Wayne H. Rochlitz, for applicants.  
Arthur D. Marona, H. F. Kollmyer,  
and Arlo D. Poe, for California  
Trucking Association, interested  
party.  
Alan E. Silvius and B. I. Stoda,  
for the Commission's staff.

O P I N I O N

By Decision No. 77902, dated November 4, 1970, and  
Decision No. 78739, dated May 25, 1971, in this proceeding  
Herbert A. Rochlitz and Wayne H. Rochlitz, doing business as  
Double R Transport, were granted interim authority to transport  
split delivery shipments of bakery goods for National Biscuit  
Company at rates and charges less than those which apply as  
minimum pursuant to provisions of Item 170, paragraph B, Minimum  
Rate Tariff 2 (MRT 2). The authority so granted was scheduled  
to expire on May 24, 1971, but was extended to permit considera-  
tion of an amended application, filed April 12, 1971, seeking a  
further extension of said authority with certain modifications.

Public hearing on the amended application was held  
before Examiner C. S. Abernathy at San Francisco on July 20, 1971.

A. 52067 - SW/sjg

The transportation services which are involved in this matter consist of the movement of bakery goods from the plant of National Biscuit Company at Emeryville to various of the company's customers along Highway 101, or in the vicinity thereof, northward from Laytonville. Two truckloads per week are so transported. Each load is tendered as a split delivery shipment. The number of deliveries per load ranges from about 35 to 60. Said transportation services have been performed by applicants for several years under a contract with National Biscuit Company which provides that applicants shall be compensated on the basis of the rates and charges which apply as minimum under the provisions of MRT 2 plus a surcharge of 10 percent.

On May 9, 1970, the provisions of MRT 2 governing split delivery shipments were changed to limit to 40 the number of components includable in a split delivery shipment. Additional charges were imposed when the number of components exceeded specified limits. As applied to applicants' services for National Biscuit Company these changes resulted in an increase of about 27 percent in split-delivery charges and a reduction in the number of deliveries per shipment.

The authority which was granted to applicants by Decision No. 77902 and extended by Decision No. 78739 authorized them to continue their services for National Biscuit under their arrangements prior to May 9, 1970. It was granted upon a showing of the profitable nature of the services under said arrangements and upon representations that unless the authority were granted National Biscuit Company would perform the transportation involved with its own facilities.

What applicants are now seeking by their amended application (as further amended at the hearing) is authority to continue their services for National Biscuit Company under substantially the same terms and conditions as those authorized by Decision No. 77902. The sought authority is set forth specifically in Appendix A hereof.

Applicants presented evidence to show that on an hourly basis the financial results of their operations for the period January 1 through June 30, 1971, under the rates heretofore authorized in this proceeding were as follows:

		<u>Per Hour</u>
Revenues		\$9.756
Expenses		
Wages	\$3.855	
Fixed	.311	
Running	1.761	
Indirect	.777	
Gross Revenue	<u>1.705</u>	
Total		<u>\$8.409*</u>
Net Revenues		\$1.347*
Operating Ratio		86.19%

\*Corrected figure.

Applicants also presented figures to show that had they assessed charges in conformity with the rates and charges which would have been applicable otherwise in accordance with the provisions of MRT 2, they would have realized net revenues as represented by an operating ratio of 74 percent. This level of revenues is excessive, they declared, and would cause National Biscuit Company to perform the transportation with its own facilities.

It appears that applicants' representations concerning the costs of their services somewhat understate said costs in that their figures do not include compensation for time which Wayne H. Rochlitz devotes to the operations. It also appears, however, that even with adjustment of the figures to provide for such compensation, the net revenues which would be reflected by the adjusted figures would not be below a reasonable level.<sup>1/</sup>

Upon consideration of the record the Commission finds that the proposed rates, as set forth in Appendix A, have been shown to be reasonable. The application should be granted.

Inasmuch as the transportation circumstances upon which this application is based are subject to change, the authority granted herein will be limited to a period of one year.

O R D E R

IT IS ORDERED that:

1. Herbert A. Rochlitz and Wayne H. Rochlitz, doing business as Double R Transport, are hereby relieved from the requirements of paragraph B of Item 170 of Minimum Rate Tariff 2 in connection with the transportation of bakery goods which they perform for National Biscuit Company.

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<sup>1/</sup> Applicants are hereby placed on notice that in any further presentations concerning the costs of their services they will be expected to include appropriate compensation for time spent in connection with said services by either or both of them.

2. In the exercise of the relief granted by Paragraph 1, Herbert A. Rochlitz and Wayne H. Rochlitz shall assess rates and charges for the transportation which they perform for National Biscuit Company which are not lower in volume or effect than those set forth in Appendix A attached hereto and by this reference made a part hereof.

3. The authority herein granted shall expire one year from the effective date hereof 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 9th day of NOVEMBER, 1971.

[Signature]  
Chairman  
William Lyons  
[Signature]  
Thomas L. Sturgeon  
[Signature]  
Commissioners

A. 52067 - SW

Appendix A

Carrier: Herbert A. Rochlitz and Wayne H. Rochlitz,  
doing business as Double R Transport

Shipper: National Biscuit Company

Commodity: Bakery Goods, N.O.I., as described in  
Item No. 21180, National Motor Freight  
Classification A-11.

Cones, Ice Cream, edible, N.O.I., as  
described in Item No. 21220, National  
Motor Freight Classification A-11.

in shipments not exceeding 20,000 pounds.

Point of Origin: Emeryville (Zone 111)

Points of Destination: Laytonville and points northerly  
thereof in Mendocino and Humboldt  
Counties.

Rates in Cents per 100 Pounds

Distance in Constructive Miles		Class			
		70		150	
More Than	But Not More Than	Minimum Weight		Minimum Weight	
		5,000 lb.	10,000 lb.	5,000 lb.	10,000 lb.
325	350	221	176	339	270
350	375	221	176	347	278
375	400	221	176	356	285
400	425	226	180	365	293
425	450	226	180	374	300
450	475	231	184	383	308
475	500	231	184	392	315
500	525	235	188	401	323
525	550	235	188	410	330

Split Delivery Charges: As set forth in Item 173,  
Thirty-Sixth Revised Page 21, Minimum Rate  
Tariff 2, plus a surcharge of 10 percent.