

ORIGINALDecision No. 79687

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 commodities between and within all points and places in the State of California (including, but not limited to, transportation for which rates are provided in Minimum Rate Tariff No. 15).

Case No. 7783
 Petition for Modification
 No. 50
 (Filed December 30, 1971)

O P I N I O N

Boyd Trucking Co., Inc., a corporation, is a highway common carrier of lumber and forest products operating generally within the State of California. Petitioner states that since 1964 it has provided motor vehicle equipment and drivers to Kimberly-Clark Corp. for the transportation of lumber and forest products between that company's mills, other lumber mills and other points in California within 250 miles of Anderson. Petitioner assesses yearly vehicle unit rates as named in Pacific Coast Tariff Bureau's Local Freight Tariff No. 101, Cal. P.U.C. 36, C. R. Nickerson, Agent. These rates are similar to those named in Minimum Rate Tariff 15.

By Decision No. 78262, dated February 2, 1971, in Petition No. 28 in Case No. 7783, petitioner was authorized to publish vehicular unit rates less than the minimum rates set forth in Minimum Rate Tariff 15, for the transportation described above, to expire February 11, 1972. Said decision also authorized petitioner to establish, effective June 1, 1971, a monthly rate per unit of equipment of \$1,555 and an hourly rate for excess hours of \$8.50.

Petitioner seeks herein to extend for another year the authority previously granted, at the rates set forth above. As justification for this request, petitioner alleges that service at the authorized rates has been profitable, as indicated by current financial and cost data attached to the petition. Petitioner also alleges that the threat of proprietary operations, unless the sought relief is granted, still prevails. Petitioner states that the revenues from operations for Kimberly-Clark under its rate authority represent a significant part of its gross revenues and are essential to its business.

The petition states that no increases in cost of such significance as would substantially affect the profitability of the service are foreseen. Petitioner, therefore, alleges that the present rate will permit continued profitable operations for an additional one-year period. The petition points out, however, that petitioner's present labor contract expires May 31, 1972, and no new contract has been negotiated. The petition states that in the event that the new contract requires additional revenue, an appropriate petition will be filed.

The petition indicates that it was served upon the California Trucking Association. Notice of the filing of the petition also appeared on the Commission's Daily Calendar. California Trucking Association (CTA) in a letter to the Commission dated January 5, 1972, indicates that said organization has no objection to an ex parte order granting an extension of the present less-than-minimum rates, subject to the condition that the authority expire May 31, 1972. CTA's letter states that the underlying cost justification expires with that date, because of the expiration of petitioner's collective bargaining agreements with its drivers. CTA urges that rate relief should not be extended beyond that date under ex parte procedures. In a letter to the Commission dated January 6, 1972, petitioner requests that it not be required to go

to the expense and trouble of filing another petition prior to the time that it would be necessary to do so under the usual one-year extension of a less-than-minimum-rate authority. The letter states that if the labor contract which will be negotiated effective June 1, 1972, causes an increase in labor costs so as to require further rate adjustments, petitioner will file a new petition on its own initiative.

The very favorable operating ratio (77.8 percent for the nine-month period ending September 30, 1971) experienced by petitioner for the transportation involved indicates that operations under the sought authority would continue to be compensatory under wage increases effective June 1, 1972, which are within the guidelines prescribed by the Federal Government's economic stabilization program. Limitation of the expiration date of the sought authority to May 31, 1972 is not justified in view of the aforementioned circumstance. Petitioner should not be made to bear an unnecessary expense and inconvenience; therefore, the usual one-year extension should be granted.

The Commission finds that the proposed rates will be compensatory and said rates are reasonable and justified by transportation conditions. The authority granted herein will be made to expire February 11, 1973. A public hearing is not necessary. The petition should be granted.

O R D E R

IT IS ORDERED that:

1. Boyd Trucking Co., Inc., is hereby authorized to extend the expiration date of the rates authorized by Decision No. 78262 until February 11, 1973, subject to the conditions set forth in ordering paragraph 2 hereof.

2. Rates published in accordance with the authority herein granted shall contain the following restrictions:

- (a) Limited to the transportation of lumber and forest products between Anderson, California, on the one hand, and points within 250 miles of Anderson, excluding Camino, on the other hand.
- (b) Limited to shippers who contract for the rental of at least five units of equipment.

3. Tariff publications authorized to be made as a result of the order herein may be made effective on not less than three days' notice to the Commission and to the public, to become effective February 11, 1972.

4. Petitioner, in establishing and maintaining the rates authorized above, is authorized to depart from the provisions of Section 460 of the Public Utilities Code. Schedules containing the rates published under this authority shall make reference to this order.

This order shall become effective on the date hereof.

Dated at San Diego, California, this 9th day of FEBRUARY, 1972.

Chairman

William J. Simon

Thomas L. Stearns

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.