

ORIGINAL

Decision No. 79697

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation )  
 into the rates, rules, 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. 2).

Case No. 5432  
 Petition for Modification  
 No. 634  
 (Filed December 30, 1971)

O P I N I O N

Boyd Trucking Co., Inc., (Boyd) operates as a highway common carrier. By Decision No. 78356, dated February 22, 1971, in Case No. 5432, Petition No. 620, Boyd was granted authority to publish and file a rate less than the established minimum rate but not less than 32 cents per 100 pounds, minimum weight 90,000 pounds per shipment, for the transportation of Incense Cedar Pencil Stock, from Anderson (Shasta County), including all points within the railhead limits of Anderson, to San Leandro. By this petition, authority is sought to continue the current deviation from the minimum rates for an additional one-year period. The present rate is scheduled to expire February 28, 1972.

The petitioner states that the service performed under the existing rate authority has been profitable. In support of such assertion, current financial and related cost information pertaining to Boyd's results of operation was submitted in the form of exhibits attached to the petition. The exhibits indicate that for the nine-month period ending September 30, 1971, the transportation here involved experienced an operating ratio of 77.7 percent.

Petitioner alleges that the threat of proprietary operations, unless the sought relief is granted, still prevails. It is further contended that the revenues obtained from the services involved constitute a significant part of Boyd's gross revenues and are essential to petitioner's operations. No significant increases in operating costs are anticipated in the immediate future which would substantially affect the profitability of the transportation service. However, the petition points out that Boyd's present labor contract expires May 31, 1972, and no new contract has yet been negotiated. The petition states that in the event the new contract requires additional revenue, an appropriate petition will be filed.

The petition was served on the California Trucking Association (CTA). The petition was also listed on the Commission's Daily Calendar. In a letter dated January 5, 1972, CTA advised the Commission that it has no objection to the continuation of the less-than-minimum-rate authority, conditional upon the extension of the authority being limited to May 31, 1972. The letter states that the underlying cost justification expires therewith because of the expiration of petitioner's wage contract. CTA urges that the rate relief should not be extended beyond that date under ex parte procedure. Petitioner, in a letter dated January 6, 1972, asks that the authority be extended for a full year so as not to require 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. Petitioner states that if the labor contract which is negotiated effective June 1, 1972, causes increases in costs so as to require further rate adjustments, petitioner will file on its own initiative.

The very favorable operating ratio (77.7 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.

In the circumstances, the Commission finds that:

1. Petitioner's results of operations, under its existing minimum rate authority, have been profitable and the transportation service involved may reasonably be expected to continue to be profitable during the ensuing year.
2. The sought rate is reasonable and justified by transportation conditions.

We conclude that Boyd Trucking Co., Inc., should be granted authority to publish the proposed rate to expire February 28, 1973. A public hearing is not necessary. In view of the expiration date of the current authority, the order which follows will be made effective on the date hereof.

O R D E R

IT IS ORDERED that:

1. Boyd Trucking Co., Inc., a corporation, is hereby authorized to publish and file, to expire with February 28, 1973, a rate of 32 cents per 100 pounds, minimum weight 90,000 pounds per shipment, for the transportation of lumber, viz: Incense Cedar Pencil Stock, from Anderson (Shasta Count), including all points within the rail-head limits of Anderson, to San Leandro, and further subject to the following conditions:

- (a) The lumber shall be prepared for shipment by the consignor.
- (b) The lumber shall move in units consisting of approximately 6,840 pounds each and approximately 8 units shall be loaded on each truck. Two trucks, each hauling approximately 8 units, shall be loaded at the consignor's Anderson yard and shall move together to San Leandro where unloading shall be effected. The operation shall be conducted on a continuous 24-hour basis and in excess of 225 days a year.
- (c) Loading of the lumber at Anderson and unloading at San Leandro shall be performed by consignor and consignee, respectively, with fork lift trucks supplied by, and operated by employees of, consignor and consignee.

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than three days after the effective date hereof on not less than three days' notice to the Commission and the public.

3. Boyd Trucking Co., Inc., in establishing and maintaining the rates authorized hereinabove, is hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code so as to adjust long- and short-haul departures which are necessary

under the authority granted herein; and schedules containing the rates published under this authority shall make reference to this order.

The effective date of this order shall be February 24, 1972.

Dated at San Diego, California, this 5th day of FEBRUARY, 1972.

William J. Quinn Chairman  
Frank R. [unclear]  
Thomas P. [unclear]  
[unclear] Commissioners

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