

Highway Officials. The 1946 standard on width limitation dates back to November 17, 1932.

(3) The provisions in bill HR 14474 will raise the Federal limits but each state retains its right to set specific standards for motor vehicles operating on highways within that state.

4. RELATIONSHIP BETWEEN TRUCK COSTS AND PAPER INDUSTRY PRICES

Paper price trends

Table No. 1 on page 4 gives a trend of values, in dollars per ton, for paper and paperboard products during the years 1962 through 1965. Values of paper mill products declined from \$219 per ton in 1962 to \$213 per ton in 1964, but recovered sharply in 1965 to \$218 per ton. On the other hand, the value per ton of paperboard products showed reasonable stability between 1962-1964, and then dropped considerably to \$115 per ton in 1965.

TABLE NO. 1.—VALUE OF PAPER AND PAPERBOARD MILL PRODUCTS

[Dollars per ton]

	1965	1964	1963	1962
Papermill products.....	218	213	215	219
Paperboard mill products.....	115	118	120	119

Source: Bureau of the Census, Industry Division, as reported by American Paper Institute.

Truck revenue and expense trends

Table No. 2 displays the expenses and revenue per ton for intercity truck service. Average total operating expenses rose moderately from \$22.01 per ton in 1962 to \$22.46 per ton in 1965. During the same period, average revenue increased at a slightly higher rate from \$22.61 per ton to \$23.26 per ton.

TABLE NO. 2.—MOTOR CARRIER FREIGHT REVENUE AND EXPENSES FOR INTERCITY SERVICE¹

[Dollars per ton]

	1965	1964	1963	1962
Average total operating expenses.....	22.46	22.31	22.43	22.01
Average revenue.....	23.26	23.04	22.99	22.61

¹ American Trucking Association trends.

Relationship between truck costs and paper prices

The average intercity truck revenue of \$23.23 per ton was compiled from reports submitted to the Interstate Commerce Commission by regulated motor carriers. A cost of \$23 per ton to the paper industry represents approximately 10.6% of the value (\$217) of paper mill products, and 20% of the value (\$114) of paperboard mill products.

The impact of truck costs on the paper industry is highlighted by the data contained in Exhibit "B". Truck transportation accounts for 47% of the tons shipped by the paper industry. "For Hire" motor carriers handled 70% of the truck sector while the remaining 30% moved in private trucks.

5. POTENTIAL SAVINGS FOR PAPER INDUSTRY

The American Paper Institute has prepared a conservative estimate that trucking expense, excluding pulpwood, costs the paper industry \$800,000,000 annually. It would not be unreasonable to expect sizeable benefits, in the range of 1% or \$8 million, would accrue to the paper industry if the proposed limits were adopted generally.

The current cost of transporting pulpwood by truck is conservatively estimated to be \$4 per cord. A survey made for the year 1965 indicated that 24.3 million cords were hauled by truck for a total cost of \$97.3 million. The survey indicated that pulpwood hauled by truck in 1969 probably will amount to 30.5 million cords. It is estimated that savings of \$14.5 million could result if weight and width limits were increased to permit larger loads.