ORIGINAL

51307 Decision No.

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 general) commodities (commodities for which) rates are provided in Minimum Rate) Tariff No. 2).

Case No. 5432

<u>J. C. Kaspar</u> and R. D. Boynton, for California Trucking Associations, Inc., interested party. <u>Grant L. Malquist</u>, for the Commission staff.

$\underline{O \ P \ I \ N \ I \ O \ N}$

Minimum hourly rates, rules and regulations for the transportation of logs between points in Del Norte, Humboldt and Mendocino Counties were established on an interim basis in Minimum Rate Tariff No. 2 (formerly Highway Carriers' Tariff No. 2) effective August 1, 1950, by Decision No. 44478 in Case No. 4808. Upon being informed by its staff that the present minimum hourly log rates are generally regarded by the industry as impractical and are not being observed, the Commission on November 23, 1954, ordered that a public hearing be scheduled to determine whether the hourly rates should be modified, suspended or canceled.

Public hearing was had at Eureka on March 8, 1955, before Examiner J. E. Thompson.

Evidence was presented by three members of the Commission staff. A Field Section representative who supervises enforcement activity in the three counties involved testified two surveys as well as numerous investigations were made by the Field Section staff since August 1950 when the minimum hourly rates were established.

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He stated that it is the custom and the practice of log haulers to assess charges upon thousand-board-foot measure rather than hourly rates. The witness testified that in conducting one survey he interviewed a number of shippers of logs. These shippers, he declared, informed him that they desire rates based upon board-foot measure of logs rather than hourly rates because all their transactions in logs and lumber are predicated upon footage units.

The representative stated that efforts to enforce the present hourly rates have been ineffectual because of the general opinion held by the industry that such rates are impractical for log transportation. He further stated that the hourly rates are difficult to enforce because following the vehicle is necessary to obtain evidence of violation.

An engineer of the Truck Transport Section of the Commission's Transportation Division testified that since August 1950 three separate surveys and studies were made of log transportation by that Section. The surveys revealed that each log haul has two major parts; the "on highway" haul and the "off highway" haul. Establishment of costs for the "on highway" portion presents no problem; but the "off highway" portion is more affected by variables, such as length of haul, character of road, adverse grades, and weather conditions. In a log haul, each of these variables is subject to frequent and radical change because loading sites or points of origin are changed frequently. The witness stated that in his opinion the controlling cost factor is the amount of adverse grades on the "off highway" portion of the haul.

The engineer is of the belief that it is possible to establish formulae to arrive at the cost for any given haul. The strong effect of variables encountered in the "off highway" portion would probably require determination of several formulae. He stated that

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the task would require extensive further research and field work, and would be time-consuming and expensive. In addition, the witness stated, the formulae would probably require frequent and periodic modification.

A rate expert of the Commission's staff testified that he had made a survey and study of formulating rates on a basis other than hourly rates. His survey revealed to him that carriers and shippers regard the present hourly rates as unrealistic. He stated that all carriers and shippers interviewed indicated that if minimum rates are required they desire rates based upon a unit of thousandboard-foot measure. All of the parties interviewed asserted that minimum footage rates would no doubt become the going rates and because of this such rates if established would have to reflect individual conditions at the loading point. The witness stated that after observing operations in the field he concurred with that opinion because the adverse conditions at origin dominate the costs of operation. A rate scale based upon distance and footage without relation to individual conditions attendant to each haul would be unsatisfactory.

He stated that he had considered whether the method used by the Public Service Commission of the State of Washington could be adapted to log transportation in California.¹ The Washington method, while it prescribes rates on a thousand-board-foot basis and gives effect to individual conditions of each haul, would not be feasible for log transportation in California. The loading sites change much more frequently here, the logging roads have a lesser

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The Washington Commission has established minimum rates per mile on a thousand-board-foot basis for several classifications of road. The applicable rate for each haul is determined in the field by their Department of Transportation which carefully clocks the mileage for each road classification along the route traversed.

degree of permanence and with the frequency of change in conditions there would be a serious administrative problem in having a minimum rate become effective while the operation under consideration is being conducted. The witness testified that the matter of formulating suitable rates for logs has been given careful and lengthy study. A reasonable and workable rate structure has not been able to be devised because of the problems hereinbefore related. In view of these circumstances, he recommends that the existing rates on logs be canceled.

A spokesman for the California Trucking Associations, Inc., asserted that it is the duty of the Commission under the statute to establish minimum rates for transportation of property. It is his contention that the evidence adduced by the staff has not shown that the situation and conditions causing establishment of rates by Decision No. 44478 have changed. He asks that the Commission, before it takes any final action to cancel the present log rates, notify the carriers involved of the nature of the action contemplated. It is the association's belief, according to this spokesman, that the respondent carriers and other parties affected by this proceeding were not adequately notified of the issues involved. <u>Conclusions</u>

Prior to August 1, 1950, the transportation of logs by highway carriers was exempt from minimum rates. Minimum hourly rates for the transportation of logs were established by an interim order in Decision No. 44478, supra. In that decision, the Commission found that permanent minimum rates on an hourly basis are not desirable but that they should be adopted as a temporary measure towards stabilization of the log transportation industry in Del Norte, Humboldt and Mendocino Counties.

It is clear that the present hourly rates are not being observed, are not suitable or practical for log transportation and

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presently do not serve any public or useful purpose. The record in this proceeding does not contain the necessary data for establishing reasonable minimum rates on a suitable and workable basis. We hereby find that the hourly rates, rules and regulations for the transportation of logs between points in Del Norte, Humboldt and Mendocino Counties should be canceled.

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The request of the California Trucking Associations, Inc., that further notice be given the industry before an order is issued in this matter is denied. Both the Order Setting Hearing dated November 23, 1954, and the Notice of Hearing dated February 10, 1955, clearly set forth the purpose of this proceeding. These documents were mailed to all known interested parties.²

The association contends that the statute imposes upon the Commission the duty of establishing just and reasonable minimum rates for the transportation of property and hence the existing hourly rates should remain in effect until such time as the Commission is prepared to establish footage rates. We are of the opinion that the statute does not require the retention of rates which have been shown to be not in the public interest.

An order will be entered which will revoke the interim order in Decision No. 44478 as amended in Case No. 4808 by making revisions in Minimum Rate Tariff No. 2 canceling the rates, rules and regulations for the transportation of logs and providing that such transportation be exempt from the provisions of said tariff.

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The Order Setting Hearing was mailed to all appearances in Case No. 5432, Brotherhood of Teamsters, Local 684, Eureka, twelve log haulers and fifteen lumber companies employing log haulers in the three counties involved. The Notice of Hearing was mailed to all appearances in Case No. 5432.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Minimum Rate Tariff No. 2 (Appendix "D" of Decision No. 31606, as amended) be and it is hereby further amended by incorporating therein, to become effective May 15, 1955, the revised pages attached hereto and by this reference made a part hereof, which pages are numbered as follows:

Twelfth Revised Page 7 cancels Eleventh Revised Page 7 Thirty-First Revised Page 14 cancels Thirtieth Revised Page 14 Nineteenth Revised Page 15 cancels Eighteenth Revised Page 15 Third Revised Page 56-A cancels Second Revised Page 56-A Second Revised Page 68-C cancels First Revised Page 68-C

In all other respects said Decision No. 31606, as amended, shall remain in full force and effect.

The effective date of this order shall be twenty days after the date hereof.

, California, this 🖉 Dated at ____ San Francisco APRIL 1 day of 1955

Commissioners

• Twolfth Revised Page 7 Cancels Eleventh Revised Page ... 7

MINIMUM RATE TARIFF NO. 2

INDEX OF COMMODITIES (Continued)

	Item		Item
CONSIODITY	Number	. COMODITY	Number
Lime, Chlorinated	730 365 365 365 365		I share share share
Liners, Polished 'Rod	383	Meal, Velvet Bean	6522,653,654
Tines: Measuring	1 385	Meats, cooked, cured	
Lines, Measuring Links	. 365	Meats, cooked, cured or preserved Meat other than fresh	359
Lipsticks, medicated	1	Meat other than iresh	1 360
	1205	Meat Substitutes	360 365
(chap sticks)	395	Mechanics Tools (M)	660,690
Liquid, cigar or cigar-		Medicine Cabinets	652 652 ACI.
etto lighter (11)	723-726	Middlings Military toilet kits	652,6522,654 395
Liquors; Malt	360;600	Military tollet kits	
Liquors, Vinous	360,600	Milk(condensed or	
	1,000,000		(1)
		evaporated) liquid	(1)
Lubricant, Grease Binder	723-726	Milk and cocoa compound	375
Lumber	660,690	Milk; dried	6522,654
Lyc, Concentrated	730	Milk, Malted	360,375
NA. 1 41	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Milk; sour skim	6522,654
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Macaroni, except canned	360	Milo Maize	652,6522,654
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·•• - •	1-1		(1),6522,654
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Pulling	365	Molding, Carpenters'	660,690
Machines, Rotary	ł	Molding, Casing	660,690
Drilling	365 ·	Mud Mixer Parts	365
Maize	652,6522,654	Mustard	360
Malt'	652 6522 451		
	652,6522,654	Mustard (prepared)	(1)
Malt, milk and cocoa		1	1.
compound	360,375	Noodles	360.
Lalt Sprouts	652,652,654	Noodles (M)	653,654
Malted milk			360
	360,375	Nuts, edible, shelled	100
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Margarine	(11)315.605	Oats	652,6522;654
Mash'	652,6522;654	Oats, rolled	652;6522;654
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Moal, Babassu Nut	6523;653;654 6523;653;654	Cil, cooking	730
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Meal; Clover	652; 653; 654 652; 653; 654	Oil; Olive	(1)
Meal; Cocoanut	652	Oil, (other than	·-/
Meal; Copra	6000,000,000		702 706
	6523,653,654	medicinal) (11)	723-726
Meal; Corn Germ	0522;053,054	Oil, petroleum	
Meal; Corn Oil (M)	652会;65位	medicinal (M)	723-726
Meal, Cottonseed	6522;651; 6522;653;651;	Oil, Salad	(1), 730
Zcal; Fish	6502 650 651		
	6522,653,654	Olives	(1)
Meal; Flaxseed	653;654	Onion Chips	(1)
Meal; Gluten	652,6522;654	Onion Powder	(1).
Meal; (Grain)	652,6522;654	Ormaments, Gable	660,690
	6522 652.654		000,070
Meal; Hemp Seed	6522,653;654	Outfits, insect	
Ncal, Kapok Seed	652,653,654	destroying (M)	723-726
Meal; Linseed	652,653,654	Outfits, Oil, Water	
	6522,654	or Gas Well	365
Acal; Mesquite (M)	ACOL ACI	· · · · · · · · · · · · · · · · · · ·	
Kaal: Dalm	6523;654	Outfits, Wire Line	56F
Meal; Palm	6523,653,654	Pumping	365
leal, Palm Kernel	6522;653,654		
	6527,653,654	Packers	365
	KE2 KEL	1 1	723-726
	653,654		· · ·
Mal, Perilla Seed	6527;653;654		723-726
leal, Rapc Seed	6522;653,654	Paint, liquid or paste	377.
	6522,654	Paneling	660,690
· · · · · · · · · · · · · · · · · · ·			~~~~

Meal, Safflower Seed Meal; Sesame Seed Meal, Soya Bean Meal; Sunflower Seed Meal; Tucum Nut	653,654 6522,653,654 6522,653,654 6524,653,654 6524,653,654	Parts, Boiler (M) Parts; Mud Mixer Paste; Alimentary Paste, Confectioners' Paste, Tomato Peanut Butter	365, 365 360 360 (1) (1)
Item No. 61	oods and Other A O." les on which app	51307 rticles as described in lication of rates is limi	ted to
		EFFECTIVE MAY 15,	1955
Issued by the F Correction No. 652	ublic Utilitics (Commission of the State o San Francisco	f California, , California.

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MINIMUS RATE TARIFF NO. 2

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Item	SECTION NO.1-RULES AND REGUL	ATIONS OF GENERAL			
No.	APPLICATION (Continued)				
	APPLICATION OF TARI				
	(Items Nos. 4	0 and 41)			
	Datas in this tamies annies	w the transmostation of all com-			
*40-II Cancels 40-DD	 modities, except the following: Accessories; motion picture, Automobile parts, accessories, and related articles in secondary movement by Truckaway Service when subject to the rates,rules and regulations set forth in linimum Rate Tariff No. 12, Baggage, Butter, dairy (Subject to Note 8), Buttermilk, liquid (Subject to Note 2), Carriers (used packages), as de- scribed in Item No.300 of Excep- tion Sheet, empty returning or forwarded for return loads (Subject to Note 1), Cement,hydraulic,masonry; natural or Portland-also lime, common (including magnesium lime, hy- drated or hydraulic lime,quick or slaked), cement flue dust, and/or limestone, powdered, shipped in mixed shipments with cementwhen transported in shipments of 40,000 pounds or more, or when transported in shipments of lesser weights subject to the rates, rules and 	<pre>Cotton, Cream (Subject to Note 2), Directories, telephone, Eggs (other than shelled, desiccated or frozen), Fertilizers, as described in Items Nos. 535, 540 and 550 of the Exception Sheet, Film, motion picture, Fodder, Bean, Cane, Corn or Peas (Subject to Note 7), Fruit, dried, unmanufactured and unprocessed(Subject to Note 1), Fruit, fresh or green (not cold pack nor frozen), Fungicides, agricultural, Furniture, household appliances and other home furnishings, transported from retail stores where they have been sold at retail by a retail merchant, or transported from re- tail customers to retail stores (Subject to Note 3), Furniture, uncrated, new, as described in and for which rates are provided in Minimum Rate Tar-</pre>			
	regulations, including the mini- mum charge computed on a minimum weight of 40,000 pounds, which are set forth in Linimum Rate Tarifi No. 10, Cement Clinker, Cheese (including cottage cheese and pot cheese) (Subject to Note 8), Commodities transported under the vehicle unit rates, rules and regulations of Minimum Rate Tariff No. 5, applicable within Los Angeles and Orange Counties, Commodities of abnormal size or weight which because of such size or weight require the use of and are transported on low- bod trailers,	iff Not 11-A, and furniture, un- crated, new, for the United States state; county or municipal govern- ments, Hops, House Trailers, set up, Icc Cream Mix, unflavored, Insecticides, agricultural, Jewelry transported from or to wholesale houses in packages weighing 10 pounds or less, Leaves, Cactus, dried (Subject to Note 7).			

Commodities weighing 100 pounds Livestock. %Logs (wood), Margarine (Subject to Note 8), Milk, liquid (Subject to Note 2), or less per package or piece when delivered from rotail stores, or when returned to the original retail store shipper Newspapers; newspaper supplements, via the carrier which handled sections or inserts; (not scrap the outbound movement or waste), (Subject to Note 3). Nuts, edible, in the shell, Commodities when transported in Optical goods transported from or dump trucks, for which rates are to wholesale houses in packages provided in Minimum Rate Tariff weighing 10 pounds or less. No. 7, Pits, fruit, Commodities which consist of or Poultry, live or dressed, Property shipped to or from procontain materials essential to National Defense and which have ducers of motion pictures or been donated to and are transtelevision shows when transported for the United States ported subject to the rates, Government, governmental agenrules and regulations provided cies, or nonprofit organizaby Docision No. 33226, in Cases Nos. 4216 and 4434, as amended, Property transported to a United tions acting for or in behalf of said government in the collection, assembly or trans-States Post Office for mailing portation of said commodities and United States mail transin connection with the recovery ported from a post office to the of said essential materials addressee thereof (Subject to from the commodities trans-Note 11). ported. (Continued in Item No. 41) 51307 * Change, Decision No. EFFECTIVE MAI 15, 1955

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MINIMUM RATE TARIFF NO. 2

Item No:	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)			
	APPLICATION OF TARIFF-COMMODITIES (Concluded) (Itoms Nos. 40 and 41)			
	Sea Shells, crushed, ground powdered or disintegrated (Subject to Note 5),	Vegetables, fresh or green (not cold pack nor frozen),		
	Seeds; Cotton, Seeds, field, as described in Note 6,	Vegetables, dried, viz.: Beans, (except Mesquite		
	Shell Marl, crushed, ground or powdered,	Lentils,		
	Straw (Subject to Note 7),	Onions, Peas, (except Cow Peas		
	Sulphur, United States mail transported	Pepper Pods,		
	for the Post Office Depart- ment under contract,	Voting Booths, Ballot		
	Used Property, viz.: household	Boxes, Election Tents- and Election Supplies,		
	goods, personal effects, furni-	when transported from		
11-P encels 11-0	ture, musical instruments, radios, and office and store fixtures and equipment, as described in and for which rates are provided in Minimum Rate Tariff No. 4-A, and used property as described therein transported for the United States, state, county or municipal governments,	or to polling places.		
	NOTE 1Includes only used empty carr from an outbound paying load of traffic for provided in this tariff, or which are bein paying load of traffic for which rates are tariff (subject to Rule No. 180 of the Exc	or which rates are not ag forwarded for a return a not provided in this		
	NOTE 2Exemption applies only when o to this note are shipped in milk shipping or crates, or in bulk in tanks.	commodities flagged subject cans, in bottles in cases		
	NOTE 3Exemption applies only when the distance between point of origin and destination does not exceed 35 miles, computed in accordance with the provisions of Item No. 100.			
	NOTE 4Exemption applies only as to state and which has not been cleaned, wash prepared or partially prepared for human c	ed. stemmed or otherwise		
	NOTE 5Exemption does not apply to so Item No. 6522.	ea shells as described in		
	NOTE 6Exemption applies only to field	ld seeds, viz.:		

Adzuki, Fenugreek, Popcorn, Alfalfa, Fescue grass, Proso, Bahia grass, Foxtail, meadow, Redtop, Bean, field, horse, lima, Guar, Reed canary grass, mat or mung, Guinea grass, Rescue grass, Beet, field or sugar, Harding grass, Rhodes grass, Bentgrass, Kudzu, Ryegrass, Bermuda grass, Lespedeza, Safflower, Bluegrass, Lupine, Medic, black, Sainfein, Bluestem, Sand dropseed, Brone, bunch or smooth, Molasses grass, Mustard (except wild Sesbania, Carpet grass, Soybean, Chick pea (garbanzo), mustard), . Sudan grass, Clover(except sweet Napier grass, Sweet vernalgrass, clover), Oatgrass, tal1, Timothy, Creeping bent, Orchard grass, Velvet bean, Pea, Austrian winter, Dallis grass, Velvet bent, Dogs-tail, created, Canadian field, Velvet grass, Doliches, Tangier or wedge, Wheatgrass, crested or slender. NOTE 7 .- Exemption will not apply to transportation for which rates are provided in Items Nos. 657 and 658. NOTE 8 .- Exemption will not apply to transportation for which rates are provided in Items Nos. 315 and 605. NOTE 10,- *** ۰. NOTE 11.-Exemption applies only to transportation between points within a radius of 25 miles of the intersection of 1st and Main Streets, Los Angeles, said mileage to be computed in accordance with the provisions of Item No. 100. * Change Decision No. 51307 **** Cancelod) EFFECTIVE MAY 15, 1955 Issued by the Public Utilities Commission of the State of California,

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San Francisco, California.

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MINIMUM RATE TARIFF NO. 2

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Item No.	SECTION NO. 3 - COMMODITY RATES (Continued)
	LUMBER AND FOREST PRODUCTS, viz.: Logs
700-C ancels 700-B	CANCELED
ð Re	duction, Decision No. 51307
	EFFECTIVE MAY 15, 1955
	the Public Utilities Commission of the State of California San Francisco, California
rrection	n No. 655

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SECTION NO. 5 - FORMS OF DOCUMENTS

* Item No. 911-B Cancels 911-A

SHIPPING ORDER AND FREIGHT BILL (For Use with Hourly Rates on Logs)

CANCELED

* Change, Decision No. 51307

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