

ORIGINALDecision No. 54314

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 LESTER J. and JOHN H. GEIJSBEEK, a)
 co-partnership, doing business as)
 GEIJSBEEK TRUCKERS, for authority to)
 publish a rate lower than the minimum)
 for the transportation of lumber and)
 forest products between Chico and)
 lumber mills located in the vicinity)
 of Mineral and Lyman Springs.)

Application No. 34-010
 (Third Supplemental)

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 pro-)
 vided in Minimum Rate Tariff No. 2).)

Case No. 5432
 Order Setting Hearing
 Dated
 May 28, 1956

Marquam C. George, for
 Geijsbeek Truckers, applicant.
J.C. Kaspar and Arlo D. Poe, for
 California Trucking Associations, Inc.,
 interested party.
Grant L. Malquist and J. W. Mallory
 for the Commission's staff.

SUPPLEMENTAL OPINION

Lester J. and John H. Geijsbeek, co-partners, doing business as GEIJSBEEK TRUCKERS, operate as a highway common carrier of lumber and forest products between various points in California. Since 1953, prior orders in this proceeding have authorized them to publish rates lower than the established minimum rates for the transportation of rough lumber from the Diamond Match Company's mill at Lyman Springs and Brown Bros. mill near Mineral, both in Tehama County, to Chico. Applicants here seek authority to continue to maintain rates lower than the established minimum for this transportation. They propose, however,

to increase the rate applicable to the Lyman Springs operation from 13½ cents to 14 cents per 100 pounds, minimum weight 42,000 pounds. No change is proposed in the rate of 15½ cents per 100 pounds, minimum weight 42,000 pounds for transportation from Mineral to Chico.

By interim supplemental opinion and order in Decision No. 53148, as amended by Decision No. 53748, in this proceeding, applicants were authorized, pending consideration of the supplemental application after hearing, to publish and file the proposed rates. This authority is scheduled to expire December 31, 1956.

The Commission on May 28, 1956 ordered that hearings be held in Case No. 5432 on a common record with the supplemental application in order that consideration may be given to whether revision should be made in Minimum Rule Tariff No. 2 to incorporate therein the rates proposed by applicants.

Public hearing on these matters was held October 15, 1956 at San Francisco before Examiner Jack E. Thompson. Evidence was presented through testimony and exhibits offered by John H. Geijsbeck, one of the partners, and by a transportation engineer and a rate expert of the Commission's staff.

Financial statements offered by applicants show that transportation performed by them has been profitable. Estimates developed by applicants and the transportation engineer of the cost of performing service under the proposed rates indicate that the proposed rates should provide revenues above full cost. The evidence shows that the transportation conditions, such as unusual volume of traffic, favorable circumstances of loading and unloading, and high use factor of equipment, shown by applicants in 1953 still prevail.

From the record it appears that Brown Bros. mill and the Diamond Match Company mill are the only lumber mills in the vicinity of the origin points here involved and that there are no lumber mills in the vicinity of State Highway 36 from Mineral enroute to Chico. There was testimony that the Diamond Match Company has a large plant under construction at Red Bluff which is scheduled for completion in August 1957. From testimony of the applicant and the witnesses from the Commission's staff it appears that the company contemplates discontinuing the manufacture of lumber at Lyman Springs and Mineral upon completion of the new plant.

No one opposed the granting of the authority sought. The only issue on which there was any controversy was the matter of incorporating the proposed rates into Minimum Rate Tariff No. 2. The rate expert recommended that the rates be incorporated into the tariff asserting that the rates, when published and effective in applicant's tariff, become by operation of law under Section 3663 of the Public Utilities Code the applicable minimum rates for all carriers for the transportation involved and that minimum rates should be set forth in the appropriate minimum rate tariff for general distribution to all affected carriers and other interested parties.

Applicants and the California Trucking Association, Inc. were opposed to the recommendation. The matter of incorporating the reduced rates of common carriers into the appropriate minimum rate tariffs is before the Commission in a number of proceedings. The contentions and arguments made herein respecting this issue have been made in other proceedings and the Commission

in its Decision No. 54210 dated December 4, 1956⁽²⁾ held that the general application of the recommendation made by the staff involves a change in policy of long standing and should be considered in its broadest aspects. In the instant proceedings there are circumstances that make unnecessary a consideration of the general principles involved in the recommendation. Here the rates can conceivably concern only two parties, the Diamond Match Company and the carrier performing service for that company. There are no other lumber mills in the area that could be affected by the rates insofar as their application is concerned. It appears probable that within a year there will be no traffic on which the rates would be applicable. In such event the rates would become "paper rates" having no use or application. Under such circumstances the inclusion of the rates into Minimum Rate Tariff No. 2 would serve no public or useful purpose.

Upon consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds that the rates proposed by applicants are justified by transportation conditions and that the phase of the Commission's investigation arising from the Order Setting Hearing, dated May 28, 1956, should be discontinued.

(2) In Case No. 5432, Petition No. 32, Third Supplemental of Winan's Bros. Trucking Co. and Order Setting Hearing Dated June 26, 1956.

SUPPLEMENTAL ORDER

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

IT IS ORDERED that Lester J. and John H. Geijsbeek, co-partners, doing business as GEIJSBEEK TRUCKERS, be and they are hereby authorized, on not less than one day's notice to the Commission and to the public, to publish and file, to expire December 31, 1957, a rate of 14 cents per 100 pounds, minimum weight 42,000 pounds for the transportation of rough lumber from Lyman Springs (Tehama County) to Chico; and a rate of 15½ cents per 100 pounds, minimum weight 42,000 pounds, for the transportation of rough lumber from a lumber mill or mills situated 1.4 miles west of Mineral (Tehama County) to Chico.

IT IS FURTHER ORDERED that the phase of Case No. 5432 arising from the Commission's Order Setting Hearing dated May 28, 1956 is discontinued.

The effective date of this order shall be December 30, 1956.

Dated at San Francisco, California, this 27 day of DECEMBER, 1956.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

Commissioner [Signature] Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.