

ORIGINAL

Decision No. 56163

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
 Petition for Modification
 No. 96

Vaughan, Paul & Lyons by John G. Lyons and Lawrence D. Cannedy for Collier Carbon and Chemical Corporation, petitioner.

J. C. Kaspar, A. D. Poe and J. X. Quintrall, for California Trucking Associations, Inc., protestant.
Bert Buzzini for California Farm Bureau Federation, interested party.

Thomas W. Morley for the Commission's staff.

O P I N I O N

Minimum Rate Tariff No. 2 contains minimum rates, rules and regulations for the statewide transportation of general commodities. Items Nos. 40 and 41 series of the tariff list a number of commodities the transportation of which is exempt from the application of the minimum rate tariff. By petition filed September 30, 1957, Collier Carbon and Chemical Corporation seeks to have "walnut shells" included among the exempted commodities.

Public hearing was held before Examiner William E. Turpen at San Francisco on November 26, 1957.

Petitioner operates a plant in Santa Clara County for the production of charcoal briquettes. A witness for petitioner

testified that the principal raw material presently used by his company for the manufacture of charcoal briquettes is peach pits, but that recently the plant has been using small quantities of walnut shells as the raw material. He said that a small run of walnut shells was used in 1954 and about 1,000 tons in 1957. The witness testified that at present walnut shells are a waste product of shelling walnuts and present a disposal problem to the shellers. Except for small quantities of shells used as carriers for insecticides, the witness said he knows of no other use for the shells. He stated that an investigation he made showed that at San Jose and Stockton it costs approximately \$2.00 a ton, plus transportation, to dispose of the shells at the city dumps.

The witness stated that if the exemption is granted his company will be able to pay the shellers a minimum of \$2.00 a ton for the shells. He explained that experience has shown that if the shellers are paid for the shells more care is taken in their handling resulting in a better and more usable grade of shells for charcoal.

The traffic manager of Diamond Walnut Growers, Inc., a nonprofit growers' association, testified that his association markets approximately 75 percent of the walnuts grown in California. He estimated that during the current season his plant at Stockton would have about 12,000 tons of walnut shells. About half of this quantity would be used as fuel in the boilers. The remaining 6,000 tons, according to the witness, would be disposed of by arbitrarily burning or by dumping.

A partner of the carrier that presently transports peach pits for petitioner testified that transportation of the walnut shells would enable her to keep the trucks and drivers busy during the off-season.

A representative of the California Farm Bureau Federation appeared in support of the petition. The Research Director of the California Trucking Associations, Inc., opposed the granting of the petition. His position was that, instead of an exemption, relief from the existing rates should have been sought, either by a change in the minimum rates, or by the carrier involved seeking authority to assess lower rates.

The record clearly shows that walnut shells are at present a waste product and that the cost of transportation under the minimum rates prevents their movement to petitioner's plant. It is clear that if the shells can be moved a waste product will be able to be converted into a usable product. Not only would the quantity of charcoal briquettes manufactured in California be increased, but the growers and processors of walnuts would be aided economically. The record contains no data which would enable reasonable rates to be determined. It is apparent that the movements of walnut shells have been so sporadic and small that such data would be difficult to develop at present. We are of the opinion, and hereby find, that walnut shells should be exempted from the minimum rates for a period of time until study can be made of the actual movements. As the producing season of walnut shells is from November to May, the

exemption will be made to expire June 30, 1959. At the end of that time petitioner or other interested parties may seek establishment of definite rates or an exception rating or present sufficient evidence to show that the exemption should be made permanent. The petition will be granted to that extent.

O R D E R

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

IT IS ORDERED that Minimum Rate Tariff No. 2 (Appendix "D" to Decision No. 31606 as amended) be and it is hereby further amended by incorporating therein, to become effective March 1, 1958, Twenty-fourth Revised Page 15, which page is attached hereto and by this reference made a part hereof.

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

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 25th day of January, 1958.

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

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)		
*41-U Cancels 41-T	<p style="text-align: center;">APPLICATION OF TARIFF-COMMODITIES (Concluded)</p> <p style="text-align: center;">(Items Nos. 40 and 41)</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> Sea Shells, crushed, ground, powdered or disintegrated (Subject to Note 5), Seeds, cotton, Seeds, field, as described in Note 6, Shell Marl, crushed, ground, or powdered, #3(1) Shells, walnut, Shipments weighing 100 pounds or less when delivered from retail stores or retail warehouses where the property has been sold at retail by a retail merchant, or when returned to the original retail store shipper via the carrier which handled the outbound movement (Subject to Note 3), Straw (Subject to Note 7), Sulphur, United States mail transported for the Post Office Department under contract, </td> <td style="vertical-align: top; width: 50%;"> Used Property, viz.: household goods, personal effects, furniture, 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, Vegetables, fresh or green (not cold pack nor frozen), Vegetables, dried, viz.: Beans (except Mesquite), Lentils, Onions, Peas (except Cow Peas), Pepper Pods, Voting Booths, Ballot Boxes, Election Tents and Election Supplies, when transported from or to polling places. </td> </tr> </table> <p>NOTE 1.-Includes only used empty carriers which are returning from an outbound paying load of traffic for which rates are not provided in this tariff, or which are being forwarded for a return paying load of traffic for which rates are not provided in this tariff (Subject to Rule No. 180 of the Exception Sheet).</p> <p>NOTE 2.-Exemption applies only when commodities flagged subject to this note are shipped in milk shipping cans, in bottles in cases or crates, or in bulk in tanks.</p> <p>NOTE 3.-Exemption 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.</p> <p>NOTE 4.-Exemption applies only as to dried fruit in the natural state and which has not been cleaned, washed, stemmed or otherwise prepared or partially prepared for human consumption.</p> <p>NOTE 5.-Exemption does not apply to sea shells as described in Item No. 652$\frac{1}{2}$.</p> <p>NOTE 6.-Exemption applies only to field seeds, viz.:</p>	Sea Shells, crushed, ground, powdered or disintegrated (Subject to Note 5), Seeds, cotton, Seeds, field, as described in Note 6, Shell Marl, crushed, ground, or powdered, #3(1) Shells, walnut, Shipments weighing 100 pounds or less when delivered from retail stores or retail warehouses where the property has been sold at retail by a retail merchant, or when returned to the original retail store shipper via the carrier which handled the outbound movement (Subject to Note 3), Straw (Subject to Note 7), Sulphur, United States mail transported for the Post Office Department under contract,	Used Property, viz.: household goods, personal effects, furniture, 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, Vegetables, fresh or green (not cold pack nor frozen), Vegetables, dried, viz.: Beans (except Mesquite), Lentils, Onions, Peas (except Cow Peas), Pepper Pods, Voting Booths, Ballot Boxes, Election Tents and Election Supplies, when transported from or to polling places.
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Adzuki,
 Alfalfa,
 Bahia grass,
 Bean, field, horse, lima,
 mat or mung,
 Beet, field or sugar,
 Bentgrass,
 Bermuda grass,
 Bluegrass,
 Bluestem,
 Brone, bunch or
 smooth,
 Carpet grass,
 Chick pea (garbanzo),
 Clover (except sweet
 clover),
 Creeping bent,
 Dallis grass,
 Dog's-tail, crested,
 Doliches,

Fenugreek,
 Fescue grass,
 Foxtail, meadow,
 Guar,
 Guinea grass,
 Harding grass,
 Kudzu,
 Lespedeza,
 Lupine,
 Medic, black,
 Molasses grass,
 Mustard (except
 wild mustard),
 Napier grass,
 Oatgrass, tall,
 Orchard grass,
 Pea, Austrian win-
 ter, Canadian
 field, Tangier or
 wedge,

Popcorn,
 Proso,
 Redtop,
 Reed canary grass,
 Rescue grass,
 Rhodes grass,
 Ryegrass,
 Safflower,
 Sainfoin,
 Sand dropseed,
 Sesbania,
 Soybean,
 Sudan grass,
 Sweet vernalgrass,
 Timothy,
 Velvet bean,
 Velvet bent,
 Velvet grass,
 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 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.

(1) Exemption expires with June 30, 1959.

* Change)
 # Addition)
 @ Reduction)

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EFFECTIVE MARCH 1, 1958

Issued by the Public Utilities Commission of the State of California,
 San Francisco, California.

Correction No. 803