

**ORIGINAL**Decision No. 62780

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  
 Petitions for  
 Modification Nos.  
 220 and 221  
 (Filed May 8, 1961)

Frank L. Sigloh, for Ames Harris Neville Co.,  
Harold J. Reitz, for International Paper Co.,  
 petitioners.  
Joseph F. Ross, for Bemis Bros. Bag Co., Hermal R.  
Davis, Jr., for Crown Zellerback Corp., C. H.  
Costello, for Continental Can Company, Inc.,  
Reed G. Condie, Arlo D. Poe and James X. Quintrall,  
 for California Trucking Associations, Inc.,  
 interested parties.  
Henry E. Frank, for the Commission staff.

O P I N I O N

By Petitions for Modification Nos. 220 and 221, filed May 8, 1961, Ames Harris Neville Company and International Paper Company seek the establishment, in Minimum Rate Tariff No. 2, of a fourth class exception rating for the transportation of "Paper Bags, NCIBN" in less-than-truckload quantities subject to a minimum weight of 4,000 pounds, and not subject to that portion of Item 80 pertaining to mixed shipments. The rating presently applicable is third class.

Public hearing on the petitions was held before Examiner William E. Turpen at San Francisco on August 4, 1961. Evidence was presented by traffic managers of both petitioners. Representatives of other manufacturers of paper bags testified in support of the

petitions. A rate expert of the Commission's staff assisted in developing the record.

Both the petitioners and the other manufacturers represented at the hearing produce and ship paper bags from plants located in California. Some of them also have plants located in other states from which they ship paper bags into California. They all face competition from manufacturers located in adjoining states. Paper bags are highly competitive with bags made from cotton and burlap. The record shows that the cotton and burlap bags are subject to a fourth class exception rating on California intrastate movements.

The record shows that paper bags as shipped have a density range of from 18 to 30 pounds per cubic foot, and a value of from 9 to 40 cents per pound. The record also shows that in other respects the transportation characteristics of paper bags are highly favorable and claim payments for loss or damage have been nonexistent or negligible.

The various witnesses testified that on interstate shipments, and generally throughout the rest of the country, the less-than-carload rating on paper bags is either fourth class or class 55, which is 55 percent of first class.<sup>1/</sup>

Representatives of several of the manufacturers of paper bags, other than petitioners, supported the proposed reduced exception rating, but urged that it be made applicable to all less-than-carload shipments instead of just those of 4,000 pounds or over. However, such action is beyond the scope of the present petitions. ✓

No one opposed the granting of the petitions.

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<sup>1/</sup> Under the Commission's minimum rate structure, fourth class is 70 percent of first class.

The evidence of record is convincing that the proposed fourth class rating for the transportation of less-than-carload shipments of paper bags, subject to a minimum weight of 4,000 pounds, in California intrastate commerce would be reasonable. Upon careful consideration of the evidence of record, the Commission hereby finds that the petitions herein should be granted. However, as the proposed restriction relating to Item 80 can cause confusion, the same purpose can be accomplished by limiting the application of the exception rating to straight shipments of paper bags.

Inherent in the petition is relief from the long- and short-haul provisions of Article XII, Section 21, of the Constitution of the State of California and Section 460 of the Public Utilities Code, in order to permit the application of the sought rating to rates which are non-intermediate in application. For the reasons that departures from the above statutory provisions were authorized for the rates, like authority is justified for application of the exception rating. Such authority will be granted.

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:

1. 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 December 23, 1961, Seventeenth Revised Page 4 and Twenty-third Revised Page 37, which pages are attached hereto and by this reference made a part hereof.
2. Tariff publications authorized to be made by common carriers as a result of the order herein may be filed not earlier

than the effective date hereof, and may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the tariff pages incorporated in this order.

3. Common carriers, in establishing and maintaining the exception rating authorized hereinabove, be and they are hereby authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California, and of Section 460 of the Public Utilities Code, to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; that such outstanding authorizations be and they are hereby modified only to the extent necessary to comply with this order; and that schedules containing the exception rating published under the authority conferred in this ordering paragraph shall make reference in their schedules to the prior orders authorizing the long- and short-haul departures and to this order.

4. That in all other respects the aforesaid 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.

Dated at San Francisco, California, this 7th day of NOVEMBER, 1961.

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

Commissioners

## INDEX OF COMMODITIES

Only those articles which are named in commodity items or in Exceptions to the Western Classification and Exception Sheet are shown in the following list.

COMMODITY	Item Number	COMMODITY	Item Number
Abrasives	302	Borax	730
Acid, Boracic	730	Boxes, Well Derrick	
Adaptors, Casing	365	or Stuffing	365
Adjusters and Boards	365	Bran	652-654 $\frac{1}{2}$
Air Compressors (M)	365	Bran, cottonseed	652-654 $\frac{1}{2}$
Ale	310,360	Bran, Flaked	652-654 $\frac{1}{2}$
Alfalfa	652-654 $\frac{1}{2}$	Bran, Rice	652-654 $\frac{1}{2}$
Alfalfa, ground or pressed	652-654 $\frac{1}{2}$	Breads	320
Alundum	302	Brewers' Flakes	652-654 $\frac{1}{2}$
Animal Feed	338,620-630	Brewers' Grains	652-654 $\frac{1}{2}$
Anvils (M)	365	Brick, Fire	365
Arms, Cress, wooden	690,710	Brine	320
Arms, wooden	365	Brushes, tooth	395
Asphalt	377.5,723-726	Bronzing Liquids	377
Atmospheric Water		Broths	320
Cooling Towers (M)	365	Buckwheat	652-654 $\frac{1}{2}$
#Bags, paper	304	Butter, Dairy (M)	315,605
Bakery Goods	360	Butter, Fruit	320
Barley	652-654 $\frac{1}{2}$	Butter, Peanut	320
Barley, Pearled	652-654 $\frac{1}{2}$	Buttermilk	320,345
Barrels, Pump		Buttermilk, condensed,	
Working	365	dried or in paste	
Bars, Grate	365	form	652-654 $\frac{1}{2}$
Bath Salts or		Buttermilk, not pow-	
Crystals	395	dered or flaked	320
Batteries, dry cell	305		
Bay Rum	395		
Beans, Castor	652-654 $\frac{1}{2}$	Cake, Babassu Nut	652-654 $\frac{1}{2}$
Beans, Mesquite	652-654 $\frac{1}{2}$	Cake, Coconut	652-654 $\frac{1}{2}$
Beans and Pork	320	Cake, Copra	652-654 $\frac{1}{2}$
Beer	310,360	Cake, Corn Germ	652-654 $\frac{1}{2}$
Bect Pulp	652-654 $\frac{1}{2}$	Cake, Corn Oil (M)	652-654 $\frac{1}{2}$
Belts (M)	365	Cake, Cottonseed	652-654 $\frac{1}{2}$
Beverage Containers	330	Cake, dried fruit seed	652-654 $\frac{1}{2}$
Beverage Preparations	311,360,375	Cake, Flaxseed	652-654 $\frac{1}{2}$
Beverages	310,360	Cake, (Grain)	652-654 $\frac{1}{2}$
Bits, Drilling	365	Cake, Hemp Seed	652-654 $\frac{1}{2}$
Blacksmith's Rotary		Cake, Kapok Seed	652-654 $\frac{1}{2}$
Blowers (M)	365	Cake, Linseed	652-654 $\frac{1}{2}$
Blocks, Casing, Crown		Cake, Mesquite (M)	652-654 $\frac{1}{2}$
or Underreamer		Cake, Oil	652-654 $\frac{1}{2}$
Drossing	365	Cake, Palm	652-654 $\frac{1}{2}$
Blowers, Blacksmith's		Cake, Palm Kernel	652-654 $\frac{1}{2}$
Rotary (M)	365	Cake, Peanut	652-654 $\frac{1}{2}$
Boards	690,710	Cake, Perilla	654
		Cake, Perilla Seed	652-654 $\frac{1}{2}$

Boiler Flues	365	Cake, Rapo Soed	652-654 $\frac{1}{2}$
Boiler Fronts (M)	365	Cake, Safflower Seed	652-654 $\frac{1}{2}$
Boiler Parts (M)	365	Cake, Sesame Seed	652-654 $\frac{1}{2}$
Boiler (M)	365	Cake, Soya Bean	652-654 $\frac{1}{2}$
Boiler Tubes	365	Cake, Sunflower Soed	652-654 $\frac{1}{2}$
Bone, ground and molassos mixed	652-654 $\frac{1}{2}$	Cake, Tucum Nut	652-654 $\frac{1}{2}$
		Cake, Velvet Bean	652-654 $\frac{1}{2}$

(M) Denotes articles on which application of rates is limited to mixed shipments.

// Addition, Decision No.

62780

EFFECTIVE DECEMBER '23, 1961

Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.  
Correction No. 1167

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)				
	EXCEPTIONS TO WESTERN CLASSIFICATION AND EXCEPTION SHEET (Continued)				
	PACKING REQUIREMENTS				
	<p>Except on articles described in the Western Classification under the heading "Furniture" and except as otherwise provided, articles will not be subject to packing requirements of the Western Classification or Exception Sheet, but may be accepted for transportation in any container or any shipping form, provided such container or form of shipment will render the transportation of the freight reasonably safe and practicable.</p>				
300	<p>Except on articles described in the Western Classification under the heading "Furniture", if two or more ratings which are subject to different packing requirements are provided for an article in the form in which it is shipped, the lowest of such ratings will apply.</p> <p>The term "Form in which it is shipped" means the form of the article itself as prepared for shipment or for the trade (exclusive of packing requirements), such as set up, knocked down, nested, not nested, compressed, not compressed, folded flat, not folded flat, in metal can inner containers, in glass bottle inner containers, in carton inner containers, in bulk (not in inner containers), dry, liquid, paste, solid, powdered, granulated, in carboys. The term "packing requirements" means (1) the outer shipping containers such as boxes, barrels, crates, bags, and (2) the shipping forms such as bundles, bales, rolls, loose, on slides (other than lift truck or platform), which are provided in the Western Classification or Exception Sheet.</p>				
302	<p>Abrasive Cloth or Paper, including Emery or Sandpaper.</p> <p>Alundum, Corundum, Emery or other natural or synthetic abrasive material consisting chiefly of Aluminum Oxide or Silicon Carbide, viz.:</p> <p style="padding-left: 40px;">Wheels, other than pulp grinding, Wheels, pulp grinding.</p> <p>Less carload -----</p>	<table border="1" style="width: 100%;"> <tr> <th style="text-align: center;">Class Rating</th> </tr> <tr> <td style="text-align: center;">4</td> </tr> </table>	Class Rating	4	
Class Rating					
4					
304	<p>Bags, Paper, not otherwise indexed by name in the Western Classification,</p> <p>Less Carload:</p> <p style="padding-left: 40px;">Any Quantity -----</p> <p style="padding-left: 40px;">Minimum Weight 4,000 pounds -----</p> <p>Carload:</p> <p style="padding-left: 40px;">Minimum Weight 30,000 pounds -----</p> <p>(1) Rating applies only on straight shipments. Paper bags in mixed shipments with other articles are subject to other ratings set forth in this item.</p>	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">3</td> </tr> <tr> <td style="text-align: center;">o(1)4</td> </tr> <tr> <td style="text-align: center;">5</td> </tr> </table>	3	o(1)4	5
3					
o(1)4					
5					
305	<p>Batteries, dry cell, electric,</p> <p>Less carload -----</p>	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">4</td> </tr> </table>	4		
4					

310	Beverages, malt, viz.: Ale, Beer, Porter, Stout, Less carload ----- Carload: Minimum Weight 40,000 pounds -----	4 D
311	Beverage Preparations, not otherwise indexed by name in the Western Classification, dry, Less carload -----	4
315	Butter, dairy Cheese (including cottage cheese and pot cheese) Margarine  (1) Applies only when one or more of the commodities listed in this item move in mixed shipments with other commodities for which rates are provided in this tariff.	(1)4
# Addition ) o Reduction ) Decision No. <p style="text-align: center;"><b>62780</b></p>		
EFFECTIVE DECEMBER 23, 1961		
<p style="text-align: center;">Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p> Correction No. 1168		