

**CONFIDENTIAL**

Decision No. 66612

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 commodi- )  
 ties between and within all points )  
 and places in the State of California )  
 (including, but not limited to, trans- )  
 portation for which rates are provided )  
 in Minimum Rate Tariff No. 2).

Case No. 5432  
 Petition for Modification  
 No. 300  
 (Filed May 29, 1963)

J. C. Kaspar, J. X. Quintrall, A. D. Poe, for  
 California Trucking Association, petitioner.  
Armand Karp, for Callison Truck Lines, Inc.;  
Louis F. Rodriguez, for Sweet Trucking & Rod  
 Transportation, respondents.  
Frank E. Lawless, for Masonite Corp., Meyer  
Kapler, for American Forest Products Corp.;  
B. R. Garcia, for California Redwood  
 Association, interested parties.  
Edward E. Tanner and R. J. Carberry, for the  
 Commission staff.

O P I N I O N

This matter was heard October 11, 1963, before Examiner Thompson at San Francisco and was submitted October 16, 1963, upon receipt of late-filed Exhibit 5.

California Trucking Association has petitioned the Commission to increase the rates and charges in Minimum Rate Tariff No. 2 (Items Nos. 690 through 710) applicable to the transportation of lumber and forest products so as to reflect certain increases in the costs to highway carriers of transporting lumber (more particularly labor expenses) since said minimum rates were last adjusted. There were no protests.

Evidence was offered by petitioner and by the Commission staff. The evidentiary facts are:

1. The minimum rates in Items Nos. 690 and 700 were last adjusted effective December 16, 1961, pursuant to Decision No. 62782, said adjustment reflecting evidence of the cost of transporting property on November 1, 1961. The minimum rates, in Item No. 710 were last adjusted effective July 28, 1962, pursuant to Decision No. 63805 based, in part, on evidence of the cost of transporting lumber on September 20, 1961.

2. From November 1, 1961, to and including July 1, 1963, the wages of drivers have increased throughout the State of California with the increases ranging from 3.8 percent to 13.6 percent; there have been numerous increases in fringe benefits for drivers, such as increased contributions by employers to pension and welfare funds; and, payroll expenses, including social security taxes, unemployment taxes and workmen's compensation insurance rates have increased.

3. There are no known changes in operating conditions or other circumstances which would contribute to a reduction in the cost to highway carriers of transporting lumber and forest products.

Exhibits 233-9 and 233-10 were the cost studies introduced by the staff in the proceedings which led to the last adjustments of the minimum rates on lumber. An engineer of the Commission's Transportation Division presented supplements to those cost studies in which he substituted current labor costs in order to estimate the impact of the wage increases, added fringe benefits and payroll tax increases upon the cost of transporting lumber. The supplements show increases in the costs ranging from 2.2 percent to 8.3 percent.

An assistant transportation rate expert of the Commission's staff suggested revisions in the minimum rates which would reflect the increased operating costs set forth in the supplements to the cost studies. The suggested changes are in Exhibit 5.

The testimony indicates that the rates in Items Nos. 690 and 700 are not frequently used by carriers engaged in transporting lumber from northern California mills. Rail carload rates, which may be used by highway carriers under the provisions of Items Nos. 200 through 240 of Minimum Rate Tariff No. 2, provide lower charges in most instances.

A shipper representative stated that the increase in the rates in Item No. 710, which apply to transportation between points within 150 miles of Los Angeles Zone 1, may disrupt present distribution practices in southern California. There was no evidence offered, however, which would show the nature of the alleged disruption or the consequences which might result.

We find that:

1. The presently effective minimum rates in Items Nos. 690 through 710 of Minimum Rate Tariff No. 2 are insufficient and are unreasonably low.

2. The rates proposed in Exhibit 5 are just, reasonable, and nondiscriminatory.

3. The increases in rates that would result from the establishment of the rates proposed in Exhibit 5 as minimum rates are justified.

From the foregoing findings of fact we conclude that the rates set forth in Exhibit 5 should be established as the just, reasonable and nondiscriminatory minimum rates to be charged by highway carriers for the transportation of lumber and forest

products; that highway common carriers maintaining rates at levels of the present rates in Items Nos. 690 through 710 should be directed to increase said rates to levels no lower than those prescribed herein as minimum to become effective not earlier than the tenth day after the effective date of this order and not later than the effective date of the minimum rates prescribed herein on not less than ten days' notice to the Commission and to the public, and that common carriers should be authorized to continue to depart from the provisions of Section 460 of the Public Utilities Code under outstanding authorizations from the Commission.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 2 (Appendix D of Decision No. 31606, as amended) is further amended by incorporating therein, to become effective February 22, 1964, the following listed revised pages, which revised pages are attached hereto and by this reference are made a part hereof.

Fourth Revised Page 51-CC  
Ninth Revised Page 51-D  
Sixth Revised Page 51-DD

2. Tariff publications required to be made by common carriers as a result of the order herein may be made effective not earlier than the tenth day after the effective date of this order on not less than ten days' notice to the Commission and to the public and shall be made effective not later than February 22, 1964.

3. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now

maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

4. In all other respects 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 17th day of January, 1964.

William W. Bennett  
President  
John E. Mitchell  
Everett C. Page  
George E. Grover  
Frederick B. Halaloff  
Commissioners

Fourth Revised Page ..... 51-CC

Cancel

Third Revised Page ..... 51-CC

MINIMUM RATE TARIFF NO. 2

Item No.	SECTION NO. 3		COMMODITY RATES (Continued) In Cents Per 100 Pounds			
(Rates shown in this item will not apply to transportation between points for which rates are provided in Item No. 710.)						
LUMBER AND FOREST PRODUCTS, treated or untreated, not finished beyond sanding and priming (See Notes 1 and 2), viz.:						
		Cross Arms, wooden Piling Poles Posts Shakes Shingles Shook, Box or Grate	Boards (See Note 3) Plywood (See Note 4) Sheets (See Note 3) Veneering (See Note 4)	Lumber Railroad Ties Timbers		
◇ R A T E S ◇						
<u>MILES</u>		Minimum Weight (In Pounds) 40,000 (See Note 5)	Minimum Weight (In Pounds) 34,000    44,000		Minimum Weight (In Pounds) 34,000    44,000	
Over	But Not Over					
6690	0 <sup>a</sup> 3	8 $\frac{1}{2}$	8	6 $\frac{1}{2}$	5 $\frac{3}{4}$	4 $\frac{3}{4}$
	3    5	9 $\frac{1}{2}$	9	7 $\frac{1}{2}$	6 $\frac{1}{4}$	5 $\frac{1}{4}$
	5    10	10 $\frac{1}{2}$	10	8 $\frac{1}{4}$	8 $\frac{1}{4}$	6 $\frac{3}{4}$
	10    15	12	11 $\frac{1}{2}$	9 $\frac{1}{2}$	9 $\frac{1}{2}$	8 $\frac{1}{2}$
	15    20	13	13	10 $\frac{1}{2}$	11	9 $\frac{1}{2}$
	20    25	14	14 $\frac{1}{2}$	12	12 $\frac{1}{2}$	10 $\frac{1}{2}$
	25    30	15 $\frac{1}{2}$	15 $\frac{1}{2}$	13	13 $\frac{1}{2}$	11 $\frac{3}{4}$
	30    35	16 $\frac{1}{2}$	16 $\frac{1}{2}$	14	14 $\frac{1}{2}$	12
	35    40	17 $\frac{1}{2}$	17 $\frac{1}{2}$	15	15 $\frac{1}{2}$	13
	40    45	18 $\frac{1}{2}$	18 $\frac{1}{2}$	16	16 $\frac{1}{2}$	14
	45    50	19 $\frac{1}{2}$	19 $\frac{1}{2}$	17	17 $\frac{1}{2}$	15
	50    60	22	23	18	19 $\frac{1}{4}$	16 $\frac{1}{4}$
	60    70	24	24	19	20 $\frac{1}{2}$	17 $\frac{1}{2}$
	70    80	25	26	20	23 $\frac{1}{2}$	18 $\frac{1}{2}$
	80    90	27	28	21 $\frac{1}{2}$	24 $\frac{1}{2}$	19 $\frac{1}{2}$
	90    100	28	29	23 $\frac{1}{2}$	26 $\frac{1}{2}$	20 $\frac{1}{2}$
	100    110	29 $\frac{1}{2}$	(1)	25 $\frac{1}{2}$	(1)	22 $\frac{1}{2}$
	110    120	30		27		24 $\frac{1}{2}$
	120    130	32		29		27
	130    140	34		30		29
	140    150	36		31		30
	150    160	38		33		31
	160    170	40		35		33
	170    180	42		37		34
	180    190	44		39		36

190	200	46	41	38
200	220	48	43	39
220	240	51	45	41
240	260	53	47	42
260	280	56	49	44
280	300	59	52	46
300	325	62	54	49
325	350	64	56	53
350	375	66	59	56
375	400	68	63	59
400	425	71	66	61
425	450	74	69	65
450	475	77	72	68
475	500	80	74	70
500	525	84	77	73
525	550	87	80	76
550	575	90	84	79
575	600	93	87	82
600	625	(2)	89	86
625	650		92	89
650	675		95	92
675	700		98	95
700	725		101	98
725	750		104	101
750	—		(3)	(3)

- (1) Over 100 miles, Class B rates apply.  
(2) Over 600 miles, Class B rates apply.  
(3) Add to the rate for 750 miles, 3 cents per 100 pounds for each 25 miles or fraction thereof in excess of 750 miles.

NOTE 1.—With shipments of the commodities listed above, there may be included, at the rates provided herein, in quantities not to exceed 10 percent of the weight of the entire shipment, articles listed under the headings: "Lumber Group" and "Building Woodwork Group" in the Governing Classification.

NOTE 2.—Length not to exceed 24 feet, except Poles and Piling which shall not exceed 50 feet in length.

NOTE 3.—Applies on Boards or Sheets, flat, sawdust or ground wood, preservatively treated or not treated, but not plasticized, with or without added resin binder not exceeding 10 percent by weight, compressed. Metal Molding or Fasteners may be included in the shipment with Boards or Sheets but shall not exceed 5 percent of the weight of the entire shipment.

NOTE 4.—Applies on Plywood or Veneering, with or without paper or pulpboard facing or backing.

NOTE 5.—In connection with straight shipments of Poles and Piling, the minimum weight shall be 37,000 pounds.

Change } Decision No. 66612  
Increase }

EFFECTIVE FEBRUARY 22, 1964

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

Correction No. 1425

Item No.	SECTION NO. 3	COMMODITY RATES (Continued) (In Cents per 100 Pounds)	
	LUMBER AND FOREST PRODUCTS, viz.: Lumber, Timbers and Veneering Minimum Weight 40,000 pounds (See Note 1).		
	FROM Production Zone (See Note 2)	TO Delivery Zone (See Note 3)	
		o A (Hornbrook)	o B (Yreka)
	1 (Seiad)	14½	15
	2 (Happy Camp)	17½	18
	3 (Indian Creek)	18	18½
	<p>NOTE 1.--(a) Rates are not subject to Item No. 85. The minimum weight applies to each unit of equipment.</p> <p>(b) Rates are intermediate in application from points located on or within one actual highway mile on either side of State Highway No. 96 between Hamburg and Gottville.</p> <p>(c) In the event the charge accruing under the rates provided in Section No. 2 or Item No. 690 of this tariff is lower than the charge accruing under the rates named herein the charge accruing under Section No. 2 or Item No. 690 will apply.</p> <p>NOTE 2.--Production Zones are as follows:</p> <p>(a) Zone 1 (Seiad) includes that area within ten actual highway miles on either side of State Highway 96 extending from Hamburg to Thompson Creek.</p> <p>(b) Zone 2 (Happy Camp) includes that area within three actual highway miles on either side of State Highway 96 between Thompson Creek and the point opposite the confluence of Elk Creek and the Klamath River.</p> <p>(c) Zone 3 (Indian Creek) includes that area within ten actual highway miles on either side of State Highway 96 between Thompson Creek and the point opposite the confluence of Elk Creek and the Klamath River except that area included in Zone 2.</p> <p>NOTE 3.--Delivery Zones are as follows:</p> <p>(a) Zone A (Hornbrook) includes that area within a radius of three air-line miles of the Southern Pacific Co. Depot at Hornbrook.</p> <p>(b) Zone B (Yreka) includes that area within a radius of six air-line miles of the intersection of Main Street and Miner Street, Yreka, and including all team tracks, side tracks, and spur tracks, together with loading areas, platforms and industries directly adjacent thereto, of the Southern Pacific Co. at Montague.</p>		
	} Change } Increase		} Decision No.  <b>66612</b>
	EFFECTIVE FEBRUARY 22, 1961		
	Issued by the Public Utilities Commission of the State of California, San Francisco, California.		
	Correction No. 1126		

700



Item No.	SECTION NO. 3		COMMODITY RATES (Continued) In Cents Per 100 Pounds															
	<p>LUMBER AND FOREST PRODUCTS, treated or untreated, not finished beyond sanding and priming (See Notes 1 and 2), viz.:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Boards (See Note 3)</td> <td style="width: 50%;">Railroad Ties</td> </tr> <tr> <td>Cross Arms, wooden</td> <td>Shakes</td> </tr> <tr> <td>Lumber</td> <td>Sheets (See Note 3)</td> </tr> <tr> <td>Piling</td> <td>Shingles</td> </tr> <tr> <td>Plywood (See Note 4)</td> <td>Shook, Box or Crate</td> </tr> <tr> <td>Poles</td> <td>Timbers</td> </tr> <tr> <td>Posts</td> <td>Veneering (See Note 4)</td> </tr> </table>				Boards (See Note 3)	Railroad Ties	Cross Arms, wooden	Shakes	Lumber	Sheets (See Note 3)	Piling	Shingles	Plywood (See Note 4)	Shook, Box or Crate	Poles	Timbers	Posts	Veneering (See Note 4)
Boards (See Note 3)	Railroad Ties																	
Cross Arms, wooden	Shakes																	
Lumber	Sheets (See Note 3)																	
Piling	Shingles																	
Plywood (See Note 4)	Shook, Box or Crate																	
Poles	Timbers																	
Posts	Veneering (See Note 4)																	
	<p><u>Territorial Application:</u> Rates named in this item apply between points of origin and destination, all of which are located within 150 constructive miles of Los Angeles Zone 1 computed in accordance with the method provided in the Distance Table.</p>																	
	MILES		RATES															
			Minimum Weight															
6710	Over	But Not Over	20,000 Pounds	40,000 Pounds														
	0	3	8-3/4	6-1/2														
	3	5	9-3/4	7-3/4														
	5	10	11	8-3/4														
	10	15	13-1/2	9-3/4														
	15	20	15-1/2	11														
	20	25	17-1/2	12														
	25	30	19-1/2	13														
	30	35	22	14														
	35	40	24	15														
	40	45	26	16														
	45	50	28-1/2	17														
	50	60	(1)	19-1/2														
	60	70		22														
	70	80		24														
	80	90		26														
	90	100		27														
	100	110		28														
	110	120		29														
	120	130		30														
	130	140		31														
	140	150		32														
	150	---		(2)														

(1) Over 50 miles, 4th Class rates apply.

(2) Over 150 miles, rates in this item do not apply. Apply rates in Item No. 690 or Class B rates, whichever are lower.

NOTE 1.-With shipments of the commodities listed above, there may be included, at the rates provided herein, in quantities not to exceed 10 percent of the weight of the entire shipment, articles listed under the headings: "Lumber Group" and "Building Woodwork Group" in the Governing Classification.

NOTE 2.-Length not to exceed 24 feet, except Poles and Piling which shall not exceed 50 feet in length.

NOTE 3.-Applies on Boards or Sheets, flat, sawdust or ground wood, preservatives treated or not treated, but not plasticized, with or without added resin binder not exceeding 10 percent by weight, compressed. Metal Molding or Fasteners may be included in the shipment with Boards or Sheets but shall not exceed 5 percent of the weight of the entire shipment.

NOTE 4.-Applies on Plywood or Veneering, with or without paper or pulpboard facing or backing.

✱ Change	}	Decision No. 66612
◇ Increase, except as noted		
○ No Change		

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San Francisco, California.

Correction No. 1427