

ORIGINALDecision No. 68542

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 car-
 riers 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
 (Petition for Modification
 No. 366)
 (Filed December 2, 1964)

OPINION AND ORDER

Weyerhaeuser Company is engaged, among other activities, in the manufacture of particleboard at Arcata. It utilizes wood shavings and bark-free waste wood from lumbering operations as the principal material in the manufacture of particleboard. It here requests that "wood shavings in bulk" be made exempt from the application of minimum rates and that Items Nos. 40 and 41 of Minimum Rate Tariff No. 2 be amended accordingly.

Currently bark-free waste wood is being phased out of use by petitioner in the manufacture of particleboard because of the installation of pulp mills in the area about Arcata and the higher payment being made by the pulp mills for this material converted into wood chips. It has, therefore, constructed special equipment, at an approximate cost of \$200,000, at Arcata, for handling wood shavings and, because the greater use of wood shavings has necessitated petitioner to look to lumber mills farther and farther from Arcata for its source of supply, it is considering the acquisition of special portable bunkers, at a cost of about \$15,000 each, that

may be moved from mill to mill for the accumulation and storage of wood shavings awaiting transportation to Arcata. Petitioner already has a capital investment of \$7,500,000 at Arcata for the production of particleboard.

Petitioner states that the present minimum rates are too high to permit the free movement of wood shavings to its plant. It further states that although it is presently purchasing wood shavings on a basis of per ton unit, after completion of installation of the special equipment for handling wood shavings, the purchase price will be based on a unit of 200 cubic feet. Because wood shavings are purchased delivered at the plant at Arcata, it contends that the transportation charges should also be based upon that unit.

Petitioner asserts that the circumstances and conditions pertaining to the transportation of wood shavings are substantially similar to those relating to the transportation of wood chips. Special type truck equipment is required for transporting wood shavings which is substantially similar to that used in transporting wood chips. Because of the necessity for special truck equipment there are few carriers engaged in transporting wood shavings and those carriers specialize in handling wood shavings and wood chips.

By Decision No. 61338, dated January 10, 1961, in Petition for Modification No. 185 in Case No. 5432, the Commission concluded that the class rates theretofore applicable were too high to permit the free movement of wood chips and that minimum rates for wood chips in bulk should be established at reasonable levels but that the record therein did not provide a suitable basis for determining such rate levels. The Commission directed its staff

to make the necessary cost and rate studies and ordered that the transportation of wood chips in bulk be exempted from the provisions of Minimum Rate Tariff No. 2 pending further determination following the completion of the necessary cost and rate studies. By supplemental order in Decision No. 66784, the expiration date of the exemption was extended to March 4, 1969.

The circumstances and conditions of the transportation of wood shavings in bulk which are utilized in the production of particleboard, flakeboard, hardboard, pulpboard or wood pulp are substantially the same as those of the transportation of wood chips in bulk. The present minimum class rates are too high to permit the free movement of wood shavings in bulk for the production of particleboard and related articles. There is no sound basis available to the Commission at the present time which will enable a determination of just, reasonable and nondiscriminatory minimum rates for this commodity. The staff studies directed by the Commission in Decision No. 61338 should provide the necessary data.

Copies of this petition were served in accordance with the Commission's procedural rules. There are no protests. We conclude that Minimum Rate Tariff No. 2 should be amended to exempt from the application of minimum rates, until March 4, 1969, the commodity "wood shavings, in bulk, to be utilized in the production of particleboard, flakeboard, hardboard, pulpboard or wood pulp" and that a public hearing is not necessary; therefore,

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 March 6, 1965, Thirty-ninth Revised Page 15 and First Revised Page 15-A, 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 made effective not earlier than the tenth day after the effective date of this order, and may be made effective on not less than ten days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff pages incorporated in this order.

3. 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.

Dated at San Francisco, California, this 1st day of FEBRUARY, 1965.

Fredrick B. Holdoff
President
John E. Mitchell
George H. Hoover
William C. Smith
Commissioners

Item
No.

SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL
APPLICATION (Continued)

APPLICATION OF TARIFF-COMMODITIES (Continued)
(Items Nos. 40, 41 and 42)

Rates in this tariff apply for the transportation of all commodities except as follows:

Hops,

House Trailers, set up,
Houses, as defined in Minimum
Rate Tariff 16, or sections
thereof, and integral parts
or contents, when trans-
ported therewith,

Hulls, almond, including shells
and other waste from the hulling
and shelling of almonds, not
processed for use as animal or
poultry feed,

Ice Cream mix, unflavored,

Insecticides, agricultural,
Jewelry transported from or to
wholesale houses in packages
weighing 10 pounds or less,

Liquids, compressed gases, com-
modities in semi-plastic form
and commodities in suspension in
liquids in bulk, in tank trucks,
tank trailers, tank semi-trailers
or a combination of such highway
vehicles,

Livestock,

Logs (wood),

Milk, liquid (Subject to Note 2),

Mushrooms, fresh (not cold pack
nor frozen),

Newspapers, newspaper supplements,
sections or inserts (not scrap
or waste),

Nuts, in the shell,

nuts, field shelled (rough shelled,
with or without removal of broken
shells, dirt, residue, or foreign
material, and not cleaned nor
further processed).

Optical goods transported from or
to wholesale houses in packages
weighing 10 pounds or less,

Pits, fruit,

Pot Cheese,

Property transported to a United
States Post Office for mailing and
United States mail transported
from a post office to the addressees
thereof (Subject to Note 11),

Sea Shells, crushed, ground, powdered
or disintegrated (Subject to Note 5),

Seed, cotton,

Seed, safflower,

Seeds to be sown or planted, (Sub-
ject to Note 6),

*Shavings, wood, in bulk (Subject to
Notes 13 and 14),

Shell Marl, crushed, ground, or
powdered,

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 car-
rier which handled the outbound
movement (Subject to Note 3),

Shipments weighing 10 pounds or
less when transported by carriers
which operate no vehicles exceed-
ing a licensed weight of 4,000
pounds (Subject to Note 12),

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-B, and used prop-
erty as described therein of state,
county or municipal governments, or
transported under an agreement
whereby the governments contracted
for the carrier's services,

Poultry, live or dressed,
Property of the United States, or
property transported under an
agreement whereby the United
States contracted for the car-
rier's services,
Property shipped to or from pro-
ducers of motion pictures or
television shows when trans-
ported subject to the rates,
rules and regulations provided
by Decision No. 33226, in Cases
Nos. 4245 and 4434, as amended.

Vegetables, fresh or green, includ-
ing mushrooms, fresh (not cold
pack or frozen),
Vegetables, which are placed in a
preservative and are destined to a
cannery for processing into a pre-
served or pickled vegetable,
Vegetables, dried, viz.: Beans (ex-
cept 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.

(Continued in Item No. 42)

∅ Change)
* Addition) Decision No. 68542

EFFECTIVE MARCH 6, 1965

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

Correction No. 1570

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)																																																																
	<p style="text-align: center;">APPLICATION OF TARIFF-COMMODITIES (Concluded) (Items Nos. 40, 41 and 42)</p>																																																																
	<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 Item no. 80 of the Exception Ratings Tariff).</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>																																																																
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42	<p>NOTE 6.-Exemption applies only to seeds to be sown or planted, viz.:</p>																																																																
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*NOTE 11. -Exemption applies only to shavings to be utilized in the production of particleboard, flakeboard, hardboard, pulpboard or wood-pulp.

(1) See Items Nos. 360 and 652 for rates on popcorn other than popcorn seed.

∅ Change)
* Addition) Decision No. 68542

EFFECTIVE MARCH 6, 1965

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 1571