

**ORIGINAL**

Decision No. 70141

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  
(Petition for Modification  
No. 399)  
(Filed December 9, 1965)

INTERIM OPINION AND ORDER

Mitchell Bros. Truck Lines, a corporation, hereinafter called petitioner, is authorized to operate as a highway common carrier for the transportation of specified lumber and forest products between Crescent City and certain other northern California points, including Arcata.<sup>1</sup> By this petition, it seeks emergency authority to publish, on five days' notice, a less-than-minimum rate of 15 cents per 100 pounds, minimum weight 50,000 pounds, for the transportation of particleboard, plywood and lumber from Crescent City to Arcata.<sup>2</sup> The applicable minimum rates named in Minimum Rate Tariff No. 2 for this transportation are 23 cents per

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<sup>1</sup> Petitioner is also authorized to operate as a cement carrier, radial highway common carrier, highway contract carrier and city carrier under other operating authorities issued by this Commission.

<sup>2</sup> Petitioner's tariff rates are published in its Local Freight Tariff No. 2, Cal.P.U.C. No. 3. Petitioner's certificate does not authorize the transportation of particleboard or plywood between the points involved herein. With respect to these two commodities, the petition will be considered as seeking such rate relief from Minimum Rate Tariff No. 2 under petitioner's permitted authority as a highway contract carrier.

100 pounds on particleboard and plywood and 21 cents per 100 pounds on lumber, both rates subject to a minimum weight of 44,000 pounds. Authority is also sought to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code in connection with the publication of the proposed rate.

Petitioner avers that Hambro Forest Products, Inc., has recently opened a new plant in Crescent City for the manufacture of particleboard. This shipper has indicated by letter to petitioner that it anticipates that the volume of traffic from its plant in Crescent City to Arcata will amount to 4 or 5 truck and trailer loads per day and possibly more in the future.<sup>3</sup> The shipper also stated that the minimum rate for the transportation in question is very unrealistic and, unless the proposed rate is granted, it will have no alternative but to lease or purchase its own trucks to perform such transportation.

Petitioner declares that it has received a letter from Simpson Wholesale Company supporting the proposed rate on the grounds that it would encourage the sale and movement of lumber, plywood and particleboard to railhead by common and permitted carriers.<sup>4</sup> Petitioner alleges that this shipper anticipates being able to offer it considerable traffic, which is currently moving in customer or mill trucks under the existing rates.

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<sup>3</sup> A copy of the letter from Hambro Forest Products, Inc., dated November 30, 1965, is attached to the petition as Exhibit A.

<sup>4</sup> A copy of Simpson Wholesale Company's letter dated November 30, 1965, is attached to the petition as Exhibit B.

Data submitted by petitioner indicate that the proposed rate will produce a revenue of \$75.00 per load of 50,000 pounds. Based on estimated total expenses of \$61.45 per trip, petitioner would realize a net revenue of \$13.55 per trip and an operating ratio of 81.9.

Petitioner asserts that it has experienced a serious decline in revenue on shipments of lumber and forest products in the area involved during the last three years and that this traffic is of vital importance to its continued operation in that area as well as to its overall operation. Petitioner states that it will be unable to retain this traffic for the period of time necessary until a hearing can be held and a decision rendered on this petition. In view of the urgency of this matter, petitioner requests that the Commission issue an ex parte order, at the earliest possible time, granting it temporary authority to publish the proposed rate, on five days' notice, until such time as the Commission can schedule a hearing on this petition.

The certificate of service shows that a copy of the petition was served on California Trucking Association on or about December 7, 1965. The petition was listed on the Commission's Daily Calendar of December 10, 1965. No objection to the granting of the petition on an interim basis has been received.

Subject to further review upon consideration of additional evidence which may be adduced at a public hearing to be scheduled in this proceeding, it appears, and the Commission finds, that the proposed rate is reasonable and justified by transportation conditions. In view of the existing threat of proprietary transportation and of

petitioner's urgent need for the rate relief sought herein, the Commission concludes that petitioner should be granted interim authority to perform such transportation, in accordance with its respective operating authorities, at the proposed rate for a period of six months, unless sooner canceled, changed or extended by order of the Commission. A future hearing will be scheduled in this proceeding.

IT IS ORDERED that:

1. Mitchell Bros. Truck Lines, a corporation, is hereby authorized, as a highway common carrier, to publish and file a rate of 15 cents per 100 pounds, minimum weight 50,000 pounds, for the transportation of lumber, timbers and railroad ties from Crescent City to Arcata. The rate authorized herein shall be published to expire six months after the effective date of this order.

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

3. Mitchell Bros. Truck Lines is hereby authorized to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code to the extent necessary to exercise the authority granted herein. Schedules containing the rate published under this authority shall make reference to this order.

4. Mitchell Bros. Truck Lines, a corporation, is hereby authorized, as a highway contract carrier, to transport boards or

sheets (particleboard), plywood and veneering for Hambro Forest Products, Inc., and Simpson Wholesale Company from Crescent City to Arcata, at a rate less than the applicable minimum rate but not less than 15 cents per 100 pounds, minimum weight 50,000 pounds.

5. The authority granted in Ordering Paragraph 4 above shall expire six months after the effective date of this order.

6. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this petition and final disposition thereof.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 21st day of December, 1965.

Frederick B. Hallock  
President  
John S. Mitchell  
George L. Driver  
Auditor  
William W. Bennett  
Commissioners