

ORIGINAL

Decision No. 77798

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 and highway)
 carriers relating to the transpor-)
 tation 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
 Order Setting Hearing
 Decision No. 75197
 Dated
 January 14, 1969

Armand Karp, for Nielsen Freight Lines; Tony Gilbert, for Joe Costa Trucking; J. A. Junge, for Seaboard Transportation Company; and H. W. Hughes, for Miles Motor Transport System, respondents.
Brobeck, Phieger & Harrison, by Robert N. Lowry, for Humboldt, Flakeboard, Georgia Pacific Corporation, Simpson Timber Company and Kimberly Clark Corporation; Milton A. Walker and R. A. Morin, for Fibreboard Corporation; William F. Krause, for Crown Zellerbach Corporation and Crown Simpson Pulp Company; Frank E. Aston, for Crown Zellerbach Corporation; Lewis G. Hallett, for Georgia Pacific Corporation; Gus R. Hubbard, for Simpson Timber Company; Charles R. Taff, for Kimberly Clark Corporation; Charles R. Harryman and Frank E. Lawless, for Masonite Corporation; B. R. Garcia, for B. R. Garcia Traffic Service; John T. Reed, for California Manufacturers Association; and Richard W. Smith, H. F. Kollmyer and A. D. Poe, for California Trucking Association, interested parties.
Robert E. Walker and Robert W. Stich, for the Commission staff.

O P I N I O N

The transportation of wood chips and wood shavings in bulk for certain commercial purposes and sawmill refuse for use as fuel was exempted from the provisions of the Commission's Minimum

Rate Tariff No. 2 by Decisions Nos. 61338, 68542 and 73630, respectively. In its order which exempted the transportation of wood chips and wood shavings from the purview of the tariff, the Commission assigned its Transportation Division staff to make cost and rate studies which will make available evidence necessary to the determination and establishment of minimum rates at reasonable levels for this transportation. Similar studies were conducted in connection with sawmill refuse.

Public hearings with respect to wood shavings and sawmill refuse were held before Examiner Mallory, at San Francisco, on March 6, April 28 and April 29, 1969, and the proceeding, insofar as it relates to said commodities, was submitted. In Decision No. 75836, dated June 24, 1969, the Commission concluded that the decision with respect to wood shavings and sawmill refuse should be deferred so that such commodities may be considered concurrently with wood chips, and the temporary exemptions should be extended. Upon being informed that the Commission staff has completed its studies with respect to wood chips, hearings in that phase of the proceeding were held on March 16, 17, 18, 23 and 24, 1970.

The Examiner's Proposed Report, issued May 7, 1970, is attached hereto as Appendix A. Exceptions thereto were filed jointly by Humboldt Flakeboard, Georgia Pacific Corporation, Simpson Timber Company and Kimberly Clark Corporation (Humboldt Group); by Fibreboard Corporation (Fibreboard); and Masonite Corporation (Masonite). Replies to said exceptions were filed by the Commission staff.¹ The matter is now ready for decision.²

¹ Exceptions were filed June 29, 1970; replies were filed July 14, 1970.

² The Humboldt Group, in its exceptions, request oral argument before the Commission en banc. This request will be denied.

The Humboldt Group excepted to the Examiner's proposed finding 10, and findings 11 through 16 which stem therefrom. Humboldt urged that minimum rates not be established. Fibreboard excepted to the Examiner's proposed findings 2, 3, 4, 6, and 10 through 16, and proposed substitutes for the Examiner's findings 2, 3 and 4. Fibreboard also proposed cancellation of findings 10 through 16, and urged that minimum rates not be established. Masonite excepted to the Examiner's proposed findings 2 through 10, but presented no substitute findings therefor. The Commission staff replied to all exceptions. It urged that the Examiner's findings and conclusions be adopted.

Humboldt and Fibreboard object to the statement contained on page 21 of the Examiner's Proposed Report to the following effect:

"The record also indicates that, in at least one area of the State, some of the carriers engage in transportation of wood chips below their full costs. Objections by counsel for the pulp mills to questions attempting to pinpoint these specific hauls were sustained. Therefore, the full nature and extent of this situation was not spread on the record. The record thus indicates that, at least to some extent, minimum rates are needed to preserve an adequate and efficient transportation service."

No specific finding of fact was made by the Examiner based on this testimony. This statement should be deleted as the evidence is not sufficient to support a finding of fact on this point. The Commission is of the opinion and finds that the statement of material issues, the statements of evidence adduced, and discussion of said evidence (other than indicated above) are correct and, therefore, are not repeated herein.

We have carefully reviewed the record, the Examiner's Proposed Report and the replies and exceptions thereto. The Examiner's proposed findings 1 through 10 are fully supported by the record and will be adopted herein as the findings of the Commission.

As indicated by counsel for the Humboldt Group, this proceeding involves an important question of regulatory policy, that is, whether "wood shavings, sawmill refuse and wood chips, which are presently moving by truck under negotiated rates pursuant to an exemption from minimum rate regulation, should be made subject to minimum rates to be published in Minimum Rate Tariff No. 2."

The Humboldt Group urges in its exceptions that the rationale of the Examiner's Proposed Report was predicated upon the premise that barring some impediment rendering it impossible to do so, minimum rates on wood chip traffic should be established. The Humboldt Group states that Section 3662 of the Public Utilities Code Code³ allows the Commission to exercise discretion in the establishment of minimum rates and urges that any proposal to establish them on a particular commodity should be initiated and justified by the carriers who seek the benefit of such rates. The foregoing argument is not persuasive. The statute clearly provides that proceedings of this nature may be initiated by the Commission through its staff.

The Humboldt Group also urges that the Examiner failed to give effect to the administrative burdens which minimum rate regulation would impose on shippers. This exceptor and Fibreboard indicate that shippers may encounter more paper work than at present, thus requiring additional clerical employees. Embodied in the Examiner's recommended tariff provisions in Appendix D, page 2, is Note 4, which provides that freight bills may be presented on a

³ Section 3662 of the Public Utilities Code provides, in part, that

"The commission shall, upon complaint or upon its own initiative without complaint, establish or approve just, reasonable, and non-discriminatory maximum or minimum or maximum and minimum rates to be charged by any highway permit carrier for the transportation of property and for accessorial service performed by it."

monthly basis, in a manner similar to the current method. Said note should be amended to also provide freight bills may be presented in manifest form. The responsibility of preparing shipping documents is the carrier's, whether or not minimum rates are established (finding 20 and ordering paragraph 13 of Decision No. 31606, 41 CRC 671, 727 and 730). Thus billing procedures will not be substantially different than at present, and no substantial additional administrative burden will be placed on shippers.

The Humboldt Group argued in its exceptions that "subsequent increases in wood chip rates will reflect labor cost increases not experienced by wood chip haulers." The record indicates that where the costs for the movements of wood chips involve labor costs not based on union contracts, adjustments in said costs would require review of the actual labor costs incurred by carriers engaged in wood chip hauling, and revisions in said costs should not reflect upward adjustments in labor contracts. In other words, although class rates in Minimum Rate Tariff No. 2 are adjusted from time to time to reflect increases in labor costs as reflected in union contracts between highway carriers and their employees, the rates on wood chips should not be adjusted concurrently. We find that future offset adjustments of the minimum rates established herein should be based on the actual changes in labor costs of carriers engaged in handling the commodities involved, rather than upon statewide labor contracts.

The Commission is of the opinion that removal of the temporary exemptions and the reestablishment of minimum rates as recommended in the Examiner's Proposed Report is consistent with the legislative program under which minimum rates heretofore have been established for highway permit carriers, and with recent past actions of the Commission establishing minimum rates for various

commodities, such as trailer coaches and campers, shell marl and oilseeds.

FINDINGS AND CONCLUSIONS

Findings of Fact

1. Wood chips, wood shavings and sawmill refuse, prior to Decisions Nos. 61338, 68542 and 73630, respectively, were subject to the class rates in Minimum Rate Tariff No. 2 (MRT 2). Said commodities were temporarily exempted from the minimum rates by the aforementioned decisions.

2. Decisions No. 61338, dealing with wood chips, reads, in part, as follows:

"A preferable solution, and one which would be in harmony with the legislative policy of rate stabilization, would be the establishment of minimum rates at reasonable levels consistent with the current cost of performing the service. The present record does not provide a suitable basis for determining such rate levels the Commission finds and concludes that the transportation of wood chips, in bulk, should be exempt from the present minimum rates, pending the receipt of evidence upon which reasonable minimum rates for such transportation may be established." (58 Cal. P.U.C. 452, 456.)

The Commission intended by said language that minimum rates be re-established when appropriate evidence was received by it from which reasonable minimum rates could be promulgated.

3. The Commission staff cost studies introduced in this proceeding adequately represent the costs of reasonably efficient highway carriers in the transportation of wood chips, wood shavings and sawmill refuse, in bulk, in motor vehicle equipment over the highways in this State.

4. Appropriate and sufficient economic data have been adduced in this proceeding to show the manner in which wood chips, wood

shavings and sawmill refuse are currently being transported by highway carriers in this State, to serve as a basis for determination of reasonable minimum rates for said transportation and to give effect to the rate-making considerations set forth in Section 3662 of the Public Utilities Code.

5. There has been relatively little turnover in carriers engaged in wood chips hauling over a period of years, indicating that negotiated rates generally have not been so low as to drive carriers out of business. Some of the negotiated rates have been adjusted from time to time.

6. Wood chips, once considered a waste product, are now a valuable raw material used in the manufacture of wood pulp, flake-board and hard board; currently there is a shortage of wood chips; and the movement of wood chips from sawmills, plywood mills and finish mills to pulp mills is regular and substantial.

7. Wood chips have a low value, ranging from \$3 to \$7 per green ton at origin, and transportation costs represent a substantial portion of the delivered price of wood chips.

8. Specialized carrier equipment has been developed for the transportation of wood chips, which is not usable for other commodities, except for limited use in connection with wood shavings and wood refuse materials. To that extent the transportation of sawmill refuse is incidental to the transportation of wood chips.

9. The transportation of wood chips, being regular throughout the year and of large volume, is particularly susceptible to proprietary carriage. One major consumer of wood chips and a number of suppliers now operate their own equipment in the movement of wood chips. Other consumers of wood chips operate proprietary fleets which can be expanded to provide wood chips transportation.

10. The level of minimum rates for wood chips proposed by the Commission staff witness reflects local transportation conditions, including units of measurement and truckload weights, and gives due effect to current rate levels, to estimated costs of providing service and to susceptibility of the commodities to proprietary carriage. Said proposed rates also give due consideration to the rate-making factors enumerated in Section 3662 of the Public Utilities Code.

11. Said proposed rates, modified to equalize transportation costs of wood chips at Samoa and Fairhaven, and to reflect constructive mileage breaks of 10 miles, or less, for movements up to 250 miles for wood chips, will result in just, reasonable and nondiscriminatory minimum rates for the transportation of wood chips and accessorial services in connection therewith performed by highway carriers; said minimum rates will not cause further diversion of significant amounts of wood chips traffic to proprietary transportation; and said rates are and will be the lowest lawful rates compatible with the maintenance of an adequate transportation system.

12. The rates, charges, accessorial charges and rules to govern the transportation of wood chips, wood shavings and sawmill refuse, as set forth in Appendix B hereof, are the just, reasonable and nondiscriminatory rates for transportation of said commodities over the public highways in this State.

13. Increases, if any, in the rates of transportation companies that are required as a result of the establishment of minimum rates on wood chips, wood shavings and sawmill refuse are justified.

14. Minimum Rate Tariff No. 2, as amended by the establishment therein of said minimum rates, may provide greater minimum rates for shorter hauls included in longer hauls over the same line or route.

15. All radial highway common carriers and highway contract carriers should be required to assess, charge and collect, for the transportation and other services, including accessorial services, in the movement of wood chips, wood shavings and sawmill refuse, rates, charges and accessorial charges no lower in volume or effect than those set forth in Appendix B hereof.

16. The rates, charges, accessorial charges and rules for the transportation of wood chips, wood shavings and sawmill refuse as shown in Appendix B hereof will be the just, reasonable, minimum rates and charges, accessorial charges and rules for the transportation of said commodities by common carriers as defined in the Public Utilities Act, except common carriers by railroad.

Conclusions

1. The rates, charges and rules for the transportation of wood chips, wood shavings and sawmill refuse set forth in Appendix B should be incorporated in Minimum Rate Tariff No. 2, and should be established as minimum rates and rules to be observed by all common carriers as defined in the Public Utilities Act, except common carriers by railroad, and by all highway permit carriers as defined in Section 3515 of the Highway Carriers' Act, for the transportation of said commodities by motor vehicles over the public highways, and for accessorial services performed in connection therewith.

2. All of said carriers should be ordered to cease and desist from quoting, maintaining or assessing rates or rules which result in charges lower in volume or effect than the charges applicable under said minimum rates.

3. Common carriers and transportation companies should be authorized to charge less for longer than for shorter distances to the extent necessary to charge said minimum rates and observe said rules.

O R D E R

IT IS ORDERED that:

1. Minimum Rate Tariff No. 2 (Appendix D to Decision No. 31606, as amended) is further amended by incorporating therein to become effective November 14, 1970, the revised pages and original pages attached hereto and listed in Appendix B, also attached hereto, which pages and appendix by this reference are made a part hereof. ✓

2. The rates, charges and rules set forth in the revisions to Minimum Rate Tariff No. 2, which are designated Appendix B of the order herein, are established and approved, effective November 14, 1970, as the just, reasonable and nondiscriminatory minimum rates and charges to be assessed, charged and collected and rules to be observed by any and all common carriers as defined in the Public Utilities Act except common carriers by railroad, and all highway permit carriers as defined in Section 3515 of the Public Utilities Code, for the transportation by motor vehicle over the public highways of the State of wood chips and sawmill refuse, including wood shavings, wood sawdust and fuel wood (hog fuel), and for the performance of other services, including accessorial services rendered incident thereto, for which rates, charges and rules are provided in said Minimum Rate Tariff No. 2. ✓

3. All radial highway common carriers and highway contract carriers shall, on November 14, 1970, cease and desist and thereafter abstain from assessing or collecting rates or charges on wood chips and sawmill refuse lower in volume or effect than those set forth in Minimum Rate Tariff No. 2 for transportation and other services incidental thereto for which rates have been provided in said minimum rate tariff. ✓

4. All common carriers as defined in the Public Utilities Act, except common carriers by railroad, maintaining rates, charges, accessorial charges and rules for the transportation by motor vehicle over public highways of the State of wood chips and sawmill refuse lower in volume or effect than the rates, charges and rules prescribed in Minimum Rate Tariff No. 2 shall cancel said rates, charges and rules and establish in their stead rates, charges and rules no lower in volume or effect than set forth in Minimum Rate Tariff No. 2.

5. All common carriers referred to and described in the preceding ordering paragraph shall, on or before November 14, 1970, cease and desist and thereafter abstain from publishing or maintaining in their tariffs, rates, charges, or rules on wood chips and sawmill refuse lower in volume or effect than those prescribed in Minimum Rate Tariff No. 2.

6. Tariff publications required to be made by common carriers as a result of the order herein shall be filed not earlier than the effective date of the order and 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 public and shall be made effective not later than November 14, 1970.

7. Common carriers, in establishing and maintaining the minimum rates established herein, are authorized to depart from the long- and short-haul provisions of Section 460 of the Public Utilities Code to the extent necessary to publish and maintain the minimum rates established herein. Schedules published under this authority shall make reference to this order.

8. 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-four days after the date hereof.

Dated at San Francisco, California, this 6th day of OCTOBER, 1970.

J. P. McInnis
Chairman
Angela
William J. Sproul
Thomas J. Mc
Vernon L. Sturgeon
Commissioners

APPENDIX A TO DECISION NO. _____

77798

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 and highway
carriers relating to the transpor-
tation 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
Order Setting Hearing
Decision No. 75197
Dated
January 14, 1969

(Appearances are shown in Appendix A)

PROPOSED REPORT OF EXAMINER JOHN W. MALLORY

The transportation of wood chips and wood shavings in bulk for certain commercial purposes and sawmill refuse for use as fuel was exempted from the provisions of the Commission's Minimum Rate Tariff No. 2 by Decisions Nos. 61338, 68542 and 73630, respectively. Said decisions indicate that these exemptions are tentative and provisional, and are all due to expire on August 1, 1970.

In its orders which exempted the transportation of wood chips and wood shavings from the purview of the tariff, the Commission assigned its Transportation Division staff to make cost and rate studies which will make available evidence necessary to the determination and establishment of minimum rates at reasonable levels for this transportation. Similarly, with the establishment of the exemption for sawmill refuse, the Commission took cognizance of the staff's intention to conduct studies of this traffic.

Decision No. 75197, among other things, ordered that hearings be held for the receipt of evidence looking to the establishment of minimum rates on wood shavings, sawmill refuse and wood chips. Said decision stated as follows:

"The Transportation Division staff has conducted cost and rate economic studies of the transportation of wood shavings and sawmill refuse and has prepared reports which set forth the results of its studies and its recommendations. Studies of the transportation of wood chips will continue and be presented to the Commission upon their completion. The staff has requested that hearings be held for the receipt of evidence relative to the establishment of minimum rates and rules for the transportation of wood shavings and sawmill refuse and that the matter of wood chips be deferred until its studies are completed.

"The procedure suggested by the staff appears to be a satisfactory means of providing the Commission and interested parties with information reflecting current conditions and will be adopted."

In accordance with the procedure outlined above, public hearings with respect to wood shavings and sawmill refuse were held before Examiner Mallory at San Francisco on March 6, April 28 and April 29, 1969, at San Francisco, and the proceeding, insofar as it relates to said commodities, was submitted. In Decision No. 75836, dated June 24, 1969, the Commission concluded that the decision with respect to wood shavings and sawmill refuse should be deferred so that such commodities may be considered concurrently with wood chips, and the temporary exemptions should be extended. Upon being informed that the Commission staff has completed its studies with respect to wood chips, hearings in that phase of the proceeding were held on March 16, 17, 18, 23 and 24, 1970. The matter was submitted subject to receipt of transcript, which has now been filed.

Proposed Report

The Commission, on March 24, 1970, approved the issuance of an Examiner's Proposed Report.¹

ISSUES

The principal issue in this proceeding is whether minimum rates should be established on the commodities involved herein. The subordinate issue, whether adequate cost and other data have been presented from which appropriate levels of minimum rates can be established, is not disputed by the parties.

EVIDENCERe Wood Shavings and Sawmill Refuse

The evidence received in the phase of this proceeding dealing with wood shavings and sawmill refuse is described in Decision No. 75836 (supra) and need not be repeated herein.

Staff Evidence Re Wood Chips

The Commission staff, in response to the order setting hearing, presented evidence on wood chips through two witnesses. A staff transportation engineer offered Exhibit 6, a development of the estimated costs of transporting wood chips. Exhibit 7 contains a list of carriers from whom cost information was obtained, and shows the kind of information obtained from each carrier. Assertedly the list of carriers in Table 2 of Exhibit 7 contains all of the carriers that are actively and regularly engaged in wood chips transportation services. Said carriers total 16 in number. Costs are developed separately in Exhibit 6 for Zones 1 and 2. Cost Zone 1 embraces operations conducted to Humboldt County destinations, and reflects the operations of 10 carriers. Cost Zone 2 covers

¹ As requested in a petition filed March 17, 1970 by Humboldt Flakeboard, Georgia Pacific Corporation, Simpson Timber Company and Kimberly Clark Corporation.

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wood chips trucking operations in the balance of the State, and reflects the operations of six carriers. The witness' estimates are set forth in Table 6 of Exhibit 6, as total costs per trips, shown separately:

- a. By area (Zones 1 and 2),
- b. By length of haul (seven separate lengths of haul, 10 constructive miles through 250 constructive miles), and
- c. By type of equipment (3-axle tractor and 40-foot semitrailer, 2-axle tractor and two trailers, and 3-axle truck and pull-trailer).

The cost estimates reflect use hours of 4,150 per year, indicating that each equipment unit is used, on the average, of 17.22 hours per day (Table 2, Exhibit 6).

An associate transportation rate expert presented Exhibit 8 which contains the results of an economic study made by the witness, and sets forth the conditions and circumstances found to be prevailing in the transportation of wood chips, and recommended minimum rates and rules for said transportation.

The study of the transportation of wood chips set forth in Exhibit 8 involved inquiry into the nature, extent and essential characteristics of the commerce. The principal use of wood chips is in the production of paper pulp and pressed wallboard. It is estimated that in 1968 the purchasers contacted during the staff study consumed in excess of two million tons of this material. The commodity is produced from both wet and dry residue obtained primarily from conversion of logs into lumber or veneer, or by manufacture of finished wood articles such as building supplies and boxes. The industries which consume wood chips in substantial quantities and which use for-hire motor carriers to transport wood

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chips include two large paper pulp producers located on the Samoa Peninsula, near Arcata, a pressed board producer at Ukiah, an integrated lumber goods and paper manufacturer at Anderson and a producer of packaging material located at Antioch. Other industrial companies who make such purchases in lesser amounts include building board producers at Anderson and Arcata, and manufacturers of roofing materials and charcoal briquettes situated at Richmond and Elk Grove, respectively. A heavy volume of wet wood chips is transported via motor carrier through the Port of Sacramento for export. The major consumers are generally located within or adjacent to lumbering areas and are in reasonably close proximity to their wood chip supplies. Their locations enable the consumers to obtain much of their wood chips from sources located at relatively short distances from their facilities. The demand for wood chips surpasses the productive capacity of the nearby sawmills and the purchasers must arrange for part of their volume from other sources, some of which are located considerable distances away.

Said exhibit further states that the value of wood chips is dependent on the transportation of this material to a consumption point where it may be put into economic use. At the source points, the material may only be considered to have a potential worth which is realized by immediate transportation. The purchase of wood chips is typically covered by contractual arrangements between buyers and sellers. These agreements range in duration from one to several years, with a two to three-year period predominating. Under the current demand for wood chips and the trend of increasing prices, some of the suppliers who have a locational advantage in relation to more than one competing purchaser are inclined to limit the tenure of their sales contracts to short durations or to market

their production unrestricted by binding contractual obligations. On the basis of a green ton, origin prices for wet chips range from \$3 to \$6 for redwood, \$3 to \$7 for species of fir, and \$3 to \$4 for pine. Dry chips appear to have significantly lower value of about \$3 per ton at origin points. These price approximations are necessarily general, due to the variables in pricing methods. Transportation costs represent a substantial, if not the major, portion of the consumers' supply expense and are frequently the prime determinant in the selection of wood chip suppliers.

Exhibit 8 states that the transportation of wood chips for industrial use by for-hire carriers is generally concentrated within four broad geographical areas surrounding the major consumption points. For descriptive purposes, these areas may be loosely defined as:

1. Mid-State Area extending along the Sierra Nevada timber areas east and south of Oroville to points located near Dinuba and including supply and consumption points in the general San Francisco Bay Area. (Principal consumption point Antioch.)
2. Northern Central Valley Area which covers the timber area on the western slope of the Sierra Nevada Mountain Range south from the Oregon border to Marysville-Oroville and west to the eastern side of the Coastal Mountain Range. (Principal consumption point Anderson.)
3. North Central Coastal Area from Garberville to Santa Rosa along the Coastal Mountain Range. (Principal consumption point Ukiah.)
4. North Coastal Area along the Coastal Mountain from the Garberville area to the Oregon border. (Principal consumption points Samoa and Fairhaven.)

Exhibit 8 indicates that each of the purchasers receives its main for-hire motor carrier services from one or two principal carriers and supplementary services from a number of other carriers.

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Most of these "principal" carriers operate under contracts which specify transportation rates and other conditions. In most areas of the State, negotiated rates have been arrived at which are satisfactory to the carriers, shippers and consignees. However, two carriers operating in the North Coastal Area reported to the witness that rates for their wood chip movements were too low to be compensatory.

The rate witness testified that the loading facilities operated by most of the shippers consist of overhead bins which accommodate one or more truckloads of wood chips. The carrier's transport equipment is placed under the bin where it is gravity-loaded by the driver. In a few cases where bins are not available, trailer equipment is positioned under an overhead chute or cyclone device where loading proceeds at the rate of production of the wood chips. This procedure requires the availability of the carrier's trailing equipment continually during production runs. When loading is completed, another empty trailer is spotted and the full load is delivered. Unloading is accomplished at destination with the use of the consignee's machinery which tilts the carrier's vehicles and allows the wood chips to drop into a pit or onto a receiving pad. These lifting devices include hydraulic platforms which elevate the highway equipment entirely off the ground or overhead cranes which lift one end of the trailers. The amount of wood chips in each load is determined by weighing on truck scales operated by the purchaser's plants or at some intermediate point, or by ascertaining the volumetric amount of the material at destination. Where weights are taken, they have a twofold purpose. The carrier is compensated on a per-ton basis or some unit of measurement derived from actual

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weight, and the suppliers are paid in connection with a system which requires that actual weights be determined.

Exhibit 8 shows that specialized highway equipment is utilized which has been constructed or modified to meet the peculiar characteristics of the transportation as dictated by the nature of the commodity and the loading and unloading procedures. Three types of transport equipment, which vary somewhat within each category with respect to size and specialized features were observed to be currently operated; included are three-axle tractors in combination with open-top semitrailers, two-axle tractors with sets of open-top semitrailers and open-top truck and trailer combinations. The trailer-semitrailer units are used extensively while the "doubles" equipment is employed to a somewhat lesser degree. Only one carrier operates trucks and trailers as part of its wood chip fleet. Mechanical self-levelers have been installed on some of the trailers for use at loading points which are not equipped to distribute the material properly in the highway equipment. These devices spread the bulk wood chips in the trailers to allow optimum space usage and to provide for compliance with highway axle weight limitations. Shipment constructive-mile distances range from less than three miles to approximately 200 miles, with about 75 percent of the separate hauls moving less than 100 constructive miles. Many of the longer hauls move from remote areas over mountain roads and are affected by adverse winter weather conditions which periodically limit or prevent the continuance of the traffic.

Exhibit 8 shows that several units of measurements are currently used as the basis for assessing intrastate transportation charges. These include:

1. Tonnage (Per ton, gross green weight),
2. Volumetric (200-cubic-foot unit),
3. Bone Dry Ton (Dry Fibre, 2,000-pound unit), and
4. Truckload.

The unit of measurement utilized for the assessment of transportation rates for wood chips is, with few exceptions, directly derived from the sales unit. Where dry fibre weight is the basis of sale, the transportation rate unit either is the same or is based on the gross green weight from which the dry fibre content is determined. For other purchases the cubic unit is the basis for both sale and transportation. Additionally, flat truckload transportation rates are assessed for a sizable volume of traffic which is purchased on some other sales unit.

The staff witness testified that transportation of wood chips on a proprietary basis is performed by both producers and purchasers of this property. One of the major consumers and a number of suppliers operate highway equipment for the delivery of this material. The producers involved sell their wood chips under arrangements which include specific freight allowances or consideration of their transportation services as an increment of the selling prices. The transportation of wood chips can be a natural extension of primary proprietary operations. The proprietary operators have the assurance of a continuing demand for their goods and a relatively stable flow of traffic which promotes a high use factor of their transport equipment. At least 20 supply points currently are served

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by proprietary carriage. This represents a significant portion of the separate origin points of wood chips. Proprietary trucking and its potential for expansion is a deterrent to increases in rate levels.

Staff Proposals Re Wood Chips and Sawmill Refuse

The Commission staff rate witness proposed that minimum rates be established in Minimum Rate Tariff No. 2 (MRT 2) on wood chips, wood shavings and sawmill refuse, and that present temporary exemptions be canceled.

The witness testified that the form and level of the rate structure recommended to govern the subject traffic was devised upon consideration of the transportation characteristics which were noted to have a significant influence on the service including, among others, the current levels of negotiated rates and the staff estimates of the cost of the service. Thus, for wood chips, separate levels of mileage rates are proposed for the three principal consuming areas in the State; rates are proposed on a different unit of measurement for each area to give effect to units of measurement for rate purposes now in general use in said areas; and rules are provided for accessorial services found to exist.²

For wood shavings and sawmill refuse, rates are proposed in dollars per unit of 200 cubic feet for distances of 80 constructive miles, beyond which class rates would be applicable.³

In support of the establishment of minimum rates the staff witness testified that minimum rates as set forth in his proposal

² Appendix B contains the staff witness' proposals concerning wood chips.

³ Appendix C contains the staff witness' proposals concerning sawmill refuse (wood shavings, wood sawdust and fuel wood (hog fuel).)

should be established: because the present exemption is only a temporary one, indicating that it always was the intent of the Commission to establish minimum rates; for the additional reason that, although the proposed rates generally reflect the going levels of rates, there are two carriers in Eureka-Arcata area who are receiving rates less than the proposed rates and less than the staff engineer's estimated costs for that area.

Evidence of Shippers

Evidence in opposition to the establishment of minimum rates on wood chips was presented by representatives of Georgia Pacific Corporation, Fibreboard Corporation, Masonite Corporation, Kimberly Clark Corporation, Crown Zellerbach Corporation and Simpson Timber Company, all of which are users of wood chips in their manufacturing processes.⁴ Georgia Pacific (Samoa), Fibreboard (Antioch), Kimberly Clark (Anderson) and Crown-Simpson (Fairhaven) operate pulp mills.⁵ Masonite (Ukiah) manufactures hard board from wood waste materials. A representative of Seaboard Transportation Company, a contract carrier, also opposed the establishment of minimum rates on wood chips.

The shipper witnesses testified concerning the manner in which their firms conducted the buying and transportation of wood chips, and furnished reasons to support their conclusions that minimum rates should not be established.

⁴ Shipper's evidence and their position with respect to transportation of wood shavings and sawmill refuse is set forth in Decision No. 75836 (supra) and is not repeated herein. The same parties that oppose minimum rates on wood chips also oppose the establishment of minimum rates on wood shavings and sawmill refuse.

⁵ Crown Zellerbach Corporation and Simpson Timber Company each owns a half interest in Crown-Simpson Company which operates a pulp mill at Fairhaven. Crown Zellerbach provides management for the pulp mill operations. Simpson Timber supplies some of the wood chips used at said mill.

The Georgia Pacific witness testified that wood chips are purchased from subsidiaries of that company and from outside suppliers. He presented Exhibits 9 and 9-A showing the location of wood chip suppliers and the names of the carriers in connection with wood chip hauls to Samoa. He also described the manner in which wood chips are received at the Samoa facility from highway carriers, and certain additional services performed at origin points. The witness stated that Georgia Pacific provides free weighing at Samoa, and provides modern facilities for rapid unloading of carriers' equipment. The witness testified that carriers are paid once a month on the basis of weight tickets and shipper talleys. If minimum rates are established carriers will be required to issue freight bills. Assertedly Georgia Pacific will be required to hire an additional employee at its Samoa plant in order to process carriers' freight bills for wood chips and to pay said bills within the 7-day credit period provided in MRT 2.

The Georgia Pacific witness also testified that transportation costs have a direct bearing on the delivered value of wood chips. However, the witness did not supply any information concerning rates paid on specific hauls, nor the value of wood chips at origin or destination. The witness testified that wood chip hauling is highly susceptible to proprietary transportation. To support this contention, he presented in evidence Exhibits 11 and 11-A, a dispatch schedule designed to obtain a maximum utilization of equipment if the current transportation service was converted from for-hire trucking equipment to a fleet of proprietary equipment operated by Georgia Pacific. This exhibit assertedly showed that under a central dispatch all present for-hire hauls could be handled within an 8-hour day, saving overtime wages, and that the transportation service

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could be performed with less equipment than now utilized by the six for-hire carriers now used. The witness testified that if operations were conducted as described in Exhibit 11, Georgia Pacific would save 8 to 10 percent of the charges now being paid for transportation of wood chips to Samoa. The witness indicated that terms of sale for approximately half the transportation would need to be changed in order to initiate proprietary service as contemplated in Exhibit 11. No comparison was made with rates proposed by the staff witness to show possible savings which may occur through proprietary operations. The witness indicated that his review of the staff cost study showed that the study correctly reflects carriers' operating costs.

The witness for Kimberly Clark testified concerning the circumstances surrounding transportation of wood chips to that company's plant at Anderson. He stated that local operations between the Kimberly Clark lumber mill at Anderson and the pulp mill were performed by proprietary equipment and that the balance of Kimberly Clark's transportation requirements are performed by a single for-hire carrier. The witness testified that based on information supplied to him, he estimated that 35 to 50 percent of the delivered price of wood chips is represented by transportation costs. The witness testified that the staff had done a thorough job in its exhibits. The witness stated that he was not concerned with the level of rates proposed by the staff, but that he opposed the establishment of minimum rates because of the belief that recurring rate increases eventually could put much of the traffic into proprietary carriage. The witness stated that the current method of rate negotiations between truckers and the industry is much more flexible and gives receivers more leeway in the movement of chips.

Three witnesses testified on behalf of Fibreboard. The first, the manager of Fibreboard's wood and chips operations, testified concerning Fibreboard's handling of wood chips. The witness stated that movements of wood chips are made by truck direct to Antioch and also by truck to reload stations, for subsequent movement to Antioch by rail.⁶ Other wood chip movements are entirely by rail. The witness testified that at the time the present temporary exemption on wood chips was authorized on March 4, 1961 by Decision No. 61338 there were but two major users of wood chips in California, Fibreboard and Masonite. In 1961, Fibreboard's annual use of wood chips was 290,000 units and Masonite's was 150,000 units. The witness estimated that the current annual usage of wood chips within California exceeds 1,450,000 units per year, an increase of 330 percent. The witness also pointed out that there is an export movement of wood chips through the Port of Sacramento to Japan of estimated annual volume of 180,000 units. The witness testified that of such amount, 80,000 units formerly moved to Antioch, and that such wood chips do not now move to Antioch because suppliers receive a higher mill price (origin price) than by selling to Fibreboard. The witness testified that the export movement resulted in competition for the purchase of wood chips and has caused Fibreboard to accede to suppliers' request to use their trucking equipment for delivery of wood chips to Antioch in order that said suppliers may attempt to earn a profit on the transportation service. This witness believes that the publication of minimum rates on wood chips will increase the amount of proprietary trucking by suppliers, since suppliers are now hauling 10 out of the 15 present

⁶ Reload stations are located at Bowman and Madera.

truck movements to Fibreboard's Antioch mill. The witness also testified that Fibreboard is now securing difficulty in obtaining wood chips, causing Fibreboard to haul logs to Antioch for processing into wood chips. The witness stated that Fibreboard plans to enlarge the size of its facility at Antioch, and two new particle-board plants are also in the planning stage, thus further increasing the demand for wood chips. The witness concluded that the establishment of minimum rates would "hand-tie" him in making out operating procedures, including transportation arrangements, that would permit Fibreboard to compete against purchasers of wood chips for export.

The second witness for Fibreboard was the supervisor of its distribution services. He testified that lack of minimum rates was helpful in getting suppliers to install efficient loading facilities, in that he could ensure that the suppliers' net price for wood chips would be greater if they did so.

The third witness for Fibreboard was its manager of transportation and distribution research. He presented Exhibit 17, a comparison of freight rates to the Port of Sacramento and minimum rates proposed by the Commission staff. Said comparison showed that the interstate rates to the port are generally lower than the proposed minimum rates, and that distance has a lesser effect on the interstate rates than on the proposed minimum rates.

The witness testified that a review of the exemptions from minimum rates generally fall in three categories: transportation for the federal government; the movement of the type of freight which the Commission has indicated the minimum rates were not designed to cover (such as parcel delivery and delivery from retail stores); and those exemptions made because retention of minimum rates would not be in the public interest, such as walnut shells and

logs. The witness urged that minimum rates not be established on wood chips and cited a prior Commission decision as precedent for the conclusion that negotiated rates are proper in light of unique circumstances surrounding the transportation of wood chips. (Retail Store Deliveries, Decision No. 58732, dated July 7, 1959, in Case No. 5432, Petition No. 140.)

The witness also cited the Commission's findings in Decision No. 65159, dated April 2, 1963 (60 Cal. P.U.C. 719) which exempted the transportation of almond hulls from minimum rates. The witness endeavored to draw a parallel between the conditions surrounding the transportation of almond hulls, as revealed in said findings, with conditions surrounding the transportation of wood chips. It was the conclusion of the witness that these circumstances were similar, therefore wood chips also should be exempted from minimum rates. The witness also brought out that Fibreboard as the petitioner in the proceeding leading to the original exemption on wood chips sought a permanent, rather than a temporary, exemption at that time.

The director of traffic and sales services for Simpson Timber Company testified that Simpson is a manufacturer of lumber, doors, board and other wood products, of which wood chips and wood waste materials are secondary products. Simpson sells wood chips to Crown Simpson for use at its Fairhaven pulp mill. The witness presented Exhibit 16, showing movements of wood chips from Simpson Timber Company facilities to Crown Simpson, the annual volume from each location, and rate per ton for each movement. Some of the rates paid are less than the minimum rates proposed by the staff, and others are higher.⁷ The current rates assertedly are designed to fit the individual conditions on each haul.

⁷ The witness indicated that the overall result of the staff proposal is a slight increase in transportation costs on the for-hire carrier movements described in Exhibit 16.

The witness urged that minimum rates, as they are reflective of average conditions, would not be appropriate to meet the conditions found on each haul. It was the opinion of this witness that the industry and the truckers would mutually benefit from a continuation of the exemption.

A freight rate analyst employed by Crown Zellerbach testified on behalf of Crown Simpson, which maintains a pulp mill at Fairhaven. The witness opposed the establishment of minimum rates on wood chips. If minimum rates are established, the witness requested that the rates to Fairhaven and Samoa be equalized, and that the number of mileage breaks in the proposed rate scale be increased. The witness testified that Fairhaven and Samoa are located on the end of a peninsula; that there is only one main road that leads to both communities; that Fairhaven is more distant from all origins than Samoa; and that Georgia Pacific (Samoa) and Crown Simpson (Fairhaven) acquire wood chips from suppliers located in the same communities. The witness testified that the differences in proposed transportation costs are too great in connection with longer hauls when two suppliers are located close to each other but their plant locations cause the hauls to consuming points to fall into different mileage brackets.

The division traffic manager of Masonite also testified in opposition to the establishment of minimum rates on wood chips. The witness testified that Masonite's plant at Ukiah manufactures hard board from wood waste materials. Since 1955, the raw material used has been wood chips. It is the opinion of the witness, based on

his evaluation of Masonite's experience, that the best interests of the industry would be served under a continuation of the current exemption. He cited that wood chip hauling is a specialized transportation service, that there are a limited number of receivers and that there is an interdependence of parties. He urged that the proposed minimum rates reflect average conditions, and may produce unprofitable hauls, and may also direct some of the more profitable hauls to proprietary transportation by suppliers. The witness indicated that the overall effect of the minimum rates proposed by the staff would be a net reduction in Masonite's transportation costs.

The vice president of Seaboard Transportation Co. testified in opposition to minimum rates. The witness indicated that, in addition to wood chip hauling in California, Seaboard and its affiliates transport manufactured products in several states. Seaboard's revenues are earned almost entirely from transportation services for Fibreboard. The witness described the hauling performed from lumber mills to rail reloading stations at Madera and Bowman, and hauls directly to Antioch. The witness testified that while the staff proposed rates are close to Seaboard's present rates, Seaboard's costs to each mill vary and Seaboard desires that such differences be reflected in individual rates.

Discussion

Prior Commission decisions relied upon as precedent for not establishing minimum rates on wood chips are discussed below.

Decision No. 56163 exempted walnut shells. Said decision stated as follows:

"The record clearly shows that walnut shells are at present a waste product and 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..... 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."

It is clear that the circumstances surrounding the transportation of walnut shells were quite different than the present circumstances with respect to wood chips. Wood chips are no longer a waste product; indeed, the demand for wood chips exceeds the current supply. The record in this proceeding contains ample data from which reasonable minimum rates can be determined, contrary to the situation existing at the time of Decision No. 56163 with respect to walnut shells.

Also cited was Decision No. 65159 (supra) which exempted almond hulls. Said decision contains the following findings (60 Cal. P.U.C. 719, at 721):

- "1. The applicable minimum rates are not reasonable for this transportation.
- "2. The transportation circumstances and conditions surrounding this transportation vary to such an extent as to make unrealistic any estimates of the cost per mile of performing the service.
- "3. At the time the transportation is performed the value of the commodity cannot be determined.
- "4. The disposal of the residual waste by-product of the hulling process of almonds is a serious sanitary and fire problem which is best resolved in the public interest by the manner described herein.
- "5. Interference with the disposal of this product by the establishment of rules and regulations necessary to the application and enforcement of minimum rates which will in any way restrict the manner in which carriers are presently performing the service would be contrary to the public interest.

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- "6. This record does not provide data which will permit the establishment of just, reasonable and nondiscriminatory minimum rates for this transportation nor does it indicate a basis upon which reasonable minimum rates can be established.
- "7. The transportation of almond hulls, including shells and other waste from the hulling and shelling of almonds, should be exempt from the provisions of Minimum Rate Tariff No. 2."

Finding 1 of Decision No. 65159, found that class rates applicable to almond hulls were not reasonable. It is clear that class rates are not reasonable for wood chips. However, class rates are not proposed herein. Specific commodity rates, much lower than class rates, and tailored to meet the needs of the traffic, are proposed.

Finding 2 of Decision No. 65159 found that realistic costs cannot be developed. The record herein indicates that the staff has developed realistic costs for the movements of wood chips.

Finding 3 of Decision No. 65159 states that at the time the transportation is performed, the value of the commodity cannot be determined; that is, there was no regular market for almond hulls. The record herein contains information concerning the value of wood chips. The record also indicates that the market price for wood chips is specified in contracts between producers and purchasers; that there is competition between purchasers for the available wood chips; and that, except where the producer and user are under common control, the purchaser offering the highest net price obtains the wood chips.

Findings 4 and 5 above indicated that there was a serious sanitary and fire problem in the disposal of a residual waste by-product, namely almond hulls. The record herein indicates that wood chips is not a waste by-product; in fact, it is an essential

raw material in the manufacture of wood pulp and hard board, and currently there is a shortage of wood chips.

Finding 6 indicated that the record in the proceeding leading to Decision No. 65159 did not provide data which would permit the establishment of just and reasonable minimum rates on almond hulls. The record herein contains adequate data from which just and reasonable minimum rates may be prescribed for wood chips and wood waste materials.

Finding 7 in Decision No. 65159, that minimum rates should not be established on almond hulls, is the ultimate finding resulting from the six prior findings. The ultimate finding with respect to wood chips should be that said commodity should not be exempt from minimum rates, using the criteria set forth above. Other recent decisions involving similar issues support such an ultimate finding. (See Decision No. 76095, dated August 26, 1969, in Case No. 5432, Petition No. 528, which removed the exemption and established commodity rates on shell marl; Decision No. 75044, dated December 3, 1968, in Case No. 5432, Order Setting Hearing in Decision No. 72320, which removed the exemption and established commodity rates on oilseeds; and Decision No. 72418, dated May 16, 1967, 67 Cal. P.U.C. 160, which removed the exemptions and established commodity rates on trailer coaches and portable campers.) No unique movements involving extraordinary operating problems exist with respect to the commodities involved herein such as were encountered in connection with the moving of houses and which warranted the exemption of that transportation from minimum rates (Decision No. 70919, 65 Cal. P.U.C. 730, 740).

The record also indicates that, in at least one area of the State, some of the carriers engage in transportation of wood chips below their full costs. Objections by counsel for the pulp mills to questions attempting to pinpoint these specific hauls were sustained. Therefore, the full nature and extent of this situation was not spread on the record. The record thus indicates that, at least to some extent, minimum rates are needed to preserve an adequate and efficient transportation service.

RECOMMENDED FINDINGS AND CONCLUSIONS

Findings of Fact

1. Wood chips, wood shavings and sawmill refuse, prior to Decisions Nos. 61338, 68542 and 73630, respectively, were subject to the class rates in Minimum Rate Tariff No. 2 (MRT 2). Said commodities were temporarily exempted from the minimum rates by the aforementioned decisions.

2. Decision No. 61338, dealing with wood chips, reads in part as follows:

"A preferable solution, and one which would be in harmony with the legislative policy of rate stabilization, would be the establishment of minimum rates at reasonable levels consistent with the current cost of performing the service. The present record does not provide a suitable basis for determining such rate levels the Commission finds and concludes that the transportation of wood chips, in bulk, should be exempt from the present minimum rates, pending the receipt of evidence upon which reasonable minimum rates for such transportation may be established." (58 Cal. P.U.C. 452, 456.)

The Commission intended by said language that minimum rates be reestablished when appropriate evidence was received by it from which reasonable minimum rates could be promulgated.

3. The Commission staff cost studies introduced in this proceeding adequately represent the costs of reasonably efficient

highway carriers in the transportation of wood chips, wood shavings and sawmill refuse, in bulk, in motor vehicle equipment over the highways in this State.

4. Appropriate and sufficient economic data have been adduced in this proceeding to show the manner in which wood chips, wood shavings and sawmill refuse are currently being transported by highway carriers in this State, to serve as a basis for determination of reasonable minimum rates for said transportation and to give effect to the rate-making considerations set forth in Section 3662 of the Public Utilities Code.

5. There has been relatively little turnover in carriers engaged in wood chips hauling over a period of years, indicating that negotiated rates generally have not been so low as to drive carriers out of business. Some of the negotiated rates have been adjusted from time to time.

6. Wood chips, once considered a waste product, is now a valuable raw material used in the manufacture of wood pulp, flake-board and hard board; currently there is a shortage of wood chips; and the movement of wood chips from sawmills, plywood mills and finish mills to pulp mills is regular and substantial.

7. Wood chips have a low value, ranging from \$3 to \$7 per green ton at origin, and transportation costs represent a substantial portion of the delivered price of wood chips.

8. Specialized carrier equipment has been developed for the transportation of wood chips, which is not usable for other commodities, except for limited use in connection with wood shavings and wood refuse materials. To some extent the transportation of sawmill refuse is incidental to the transportation of wood chips.

9. The transportation of wood chips, being regular throughout the year and of large volume, is particularly susceptible to proprietary carriage. One major consumer of wood chips and a number of suppliers now operate their own equipment in the movement of wood chips. Other consumers of wood chips operate proprietary fleets which can be expanded to provide wood chips transportation.

10. The level of minimum rates for wood chips proposed by the Commission staff witness reflect local transportation conditions, including units of measurement and truckload weights, and give due effect to current rate levels, to estimated costs of providing service and to susceptibility of the commodities to proprietary carriage. Said proposed rates also give due consideration to the rate-making factors enumerated in Section 3662.

11. Said proposed rates, modified to equalize transportation costs of wood chips at Samoa and Fairhaven, and to reflect constructive mileage breaks of 10 miles, or less, for movements up to 250 miles for wood chips, will result in just, reasonable and nondiscriminatory minimum rates for the transportation of wood chips and accessorial services in connection therewith performed by highway carriers; said minimum rates will not cause further diversion of significant amounts of wood chips traffic to proprietary transportation; and said rates are and will be the lowest lawful rates compatible with the maintenance of an adequate transportation system.

12. The rates, charges, accessorial charges and rules to govern the transportation of wood chips, wood shavings and sawmill refuse, as set forth in Appendix D hereof, are the just, reasonable, and nondiscriminatory rates for transportation of said commodities over the public highways in this State.

13. Increases, if any, in the rates of transportation companies that are required as a result of the establishment of minimum rates on wood chips, wood shavings and sawmill refuse are justified.

14. Minimum Rate Tariff No. 2, as amended by the establishment therein of said minimum rates, may provide greater minimum rates for shorter hauls included in longer hauls over the same line or route.

15. All radial highway common carriers and highway contract carriers should be required to assess, charge and collect, for the transportation and other services, including accessorial services, in the movement of wood chips, wood shavings and sawmill refuse, rates, charges and accessorial charges no lower in volume or effect than those set forth in Appendix D hereof.

16. The rates, charges, accessorial charges and rules for the transportation of wood chips, wood shavings and sawmill refuse as shown in Appendix D hereof will be the just, reasonable, minimum rates and charges, accessorial charges and rules for the transportation of said commodities by common carriers as defined in the Public Utilities Act, except common carriers by railroad.

Conclusions

1. The rates, charges and rules for the transportation of wood chips, wood shavings and sawmill refuse set forth in Appendix D should be incorporated in Minimum Rate Tariff No. 2, and should be established as minimum rates and rules to be observed by all common carriers as defined in the Public Utilities Act, except common carriers by railroad, and by all highway permit carriers as defined in Section 3515 of the Highway Carriers' Act, for the transportation of said commodities by motor vehicles over the public highways, and for accessorial services performed in connection therewith.

2. All of said carriers should be ordered to cease and desist from quoting, maintaining or accessing rates or rules which result in charges lower in volume or effect than the charges applicable under said minimum rates.

3. Common carriers and transportation companies should be authorized to charge less for longer than for shorter distances to the extent necessary to charge said minimum rates and observe said rules.

RECOMMENDED ORDER

1. Amend Minimum Rate Tariff No. 2 as indicated in the preceding conclusions.

2. Direct carriers to observe the newly established minimum rates, as indicated in the preceding conclusions.

/s/ J. W. Mallory

J. W. MALLORY, Examiner

San Francisco, California
May 7, 1970

APPENDIX A

List of Appearances

Respondents

Armand Karp, for Nielsen Freight Lines.
Tony Gilbert, for Joe Costa Trucking
J. A. Junge, for Seaboard Transportation Company.
H. W. Hughes, for Miles Motor Transport System.

Interested Parties

Brobeck, Phleger & Harrison, by Robert N. Lowry, for Humboldt, Flakeboard, Georgia Pacific Corporation, Simpson Timber Company and Kimberly Clark Corporation.

Milton A. Walker, and R. A. Morin, for Fibreboard Corporation.

William F. Krause, for Crown Zellerbach Corporation and Crown Simpson Pulp Company.

Frank E. Aston, for Crown Zellerbach Corporation.

Lewis G. Hallett, for Georgia Pacific Corporation.

Gus R. Hubbard, for Simpson Timber Company.

Charles R. Taiff, for Kimberly Clark Corporation.

Charles R. Harryman and Frank E. Lawless, for Masonite Corporation.

B. R. Garcia, for B. R. Garcia Traffic Service.

John T. Reed, for California Manufacturers Association.

Richard W. Smith, H. F. Kollmyer, and A. D. Poe, for California Trucking Association.

Commission Staff

Division. Robert E. Walker and Robert W. Stich, Transportation

APPENDIX B
Page 1 of 2

Proposed Tariff Amendments
For Wood Chips

Chips, wood, in bulk, See Notes 1 and 2.

Application of Rates

Rates apply according to the defined geographical area in which the point of destination is located. When the point of destination of a shipment is located within:

- (a) The county of Mendocino, apply Column A rates.
- (b) The county of Del Norte, Humboldt or Shasta, apply Column B rates.
- (c) Any county not included in (a) and (b) above, apply Column C rates.

<u>Constructive Miles</u>		<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>Over</u>	<u>But Not Over</u>	<u>Rates in Cents</u> <u>Per Unit of</u> <u>200 Cubic Feet¹</u>	<u>Rates in</u> <u>Cents Per</u> <u>2000-Lb.Ton¹</u>	<u>Rates in Dollars</u> <u>Per Shipment</u>
0	5	80	40	\$ 11.00
5	10	105	55	15.00
10	15	140	70	19.00
15	20	185	85	24.00
20	30	230	105	30.00
30	40	280	130	36.00
40	50	330	155	42.00
50	60	385	180	48.00
60	70	440	205	54.00
70	80	495	230	61.00
80	90	555	260	68.00
90	100	620	290	76.00
100	120	700	330	86.00
120	140	800	375	98.00
140	160	900	420	110.00
160	180	1000	470	123.00
180	200	1100	520	136.00
200	225	1210	575	150.00
225	250	1320	630	164.00
250	For each 25 miles or frac- tion thereof, add to the rate for 250 miles.	110	55	14.00

1 Subject to a minimum charge of \$9 per shipment.

Note 1 Not subject to the provisions of Items Nos. 85, 142, 150, 160, 161, 170 and 171.

Note 2 If more than one vehicle or combination of vehicle consisting of a single unit of carrier's equipment is used for a single shipment transportation performed by each such vehicle or combination of vehicles shall be assessed charges as a separate shipment.

APPENDIX B
Page 2 of 2

Revised Items

Item No. 40: Cancel reference to "Chips, wood, in bulk".

Item No. 120: Amend as follows (underscoring indicates addition).

2nd Paragraph:

Rates in this tariff, subject to minimum weights of 10,000 pounds or more, include loading into and unloading from carrier's equipment at established depots. At points of origin or points of destination other than established depots, rates in this tariff (other than common carrier rates, applied under the provisions of Items Nos. 200, 210, 220 and 230), subject to minimum weights of 10,000 pounds or more, and rates provided in Items Nos. include the services of one man (driver or helper) for loading or unloading of the carrier's equipment, subject to the provisions of Item No. 140.

Supplement No. 74

Paragraph 3(b)

Shipments transported under the rates set forth in Items Nos. 690, 720, 721-1, 720-2, 745 and _____ (Chips, wood, in bulk) of this tariff.

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APPENDIX C
Page 1 of 2Proposed Tariff Changes
Sawmill Refuse
(New Item)

Sawmill Refuse, viz.:

Shavings, wood¹Sawdust, wood¹Fuel, wood (hog fuel), composed of ground or shredded waste wood or wood sawdust which may also contain one or more of the following commodities:²

Shavings, wood

Sawdust, wood

Bark, ground or shredded

In bulk, in units of 200 cubic feet, subject to Notes 1 and 2.

<u>Constructive Miles</u>		<u>Rates in Cents Per Unit³</u> <u>or Fraction Thereof</u>
<u>Over</u>	<u>But Not Over</u>	
0	5	70
5	10	90
10	15	110
15	20	130
20	30	155
30	40	180
40	50	200
50	60	220
60	70	235
70	80	250
80	Apply Class Rates	

- 1 Applies to commodities which are to be utilized in the production of particleboard, flakeboard, hardboard, pulpboard or woodpulp.
- 2 Applies only to wood fuel, not further processed than ground or shredded, which is to be used as fuel.
- 3 Subject to a minimum charge of \$9 per shipment.

Note 1 If more than one vehicle or combination of vehicle consisting of a single unit of equipment is used for the transportation of a single shipment, each such vehicle or combination of vehicles shall be subject to the minimum charge applicable.

Note 2 Not subject to the provisions of Items Nos. 142, 150, 160, 161, 170 and 171.

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Page 2 of 2

Item No. 41:

Cancel reference to sawmill refuse, shavings, wood and Note 14.

Item No. 120:

2nd Paragraph: (Underscoring indicates addition.)

Rates in this tariff, subject to minimum weights of 10,000 pounds or more, include loading into and unloading from carrier's equipment at established depots. At points of origin or points of destination other than established depots, rates provided in Item No. and rates in this tariff (other than common carrier rates, applied under the provisions of Items Nos. 200, 210, 220 and 230), subject to minimum weights of 10,000 pounds or more, include the services of one man (driver or helper) for loading or unloading of the carrier's equipment, subject to the provisions of Item No. 140.

Proposed Report

APPENDIX D
Page 1 of 4Examiner's Recommended Tariff Amendments
(New Item)

Chips, wood, in bulk, See Notes 1, 2 3, and 4.

Application of Rates

Rates apply according to the defined geographical area in which the point of destination is located. When the point of destination of a shipment is located within:

- (a) The county of Mendocino, apply Column A rates.
 (b) The county of Del Norte, Humboldt or Shasta, apply Column B rates.
 (c) Any county not included in (a) and (b) above, apply Column C rates.

<u>Constructive Miles</u>		<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>Over</u>	<u>But Not Over</u>	<u>Rates in Cents</u> <u>Per Unit of</u> <u>200 Cubic Feet¹</u>	<u>Rates in</u> <u>Cents Per</u> <u>2000-Lb.Ton¹</u>	<u>Rates in Dollars</u> <u>Per Shipment</u>
0	5	80	40	\$ 11.00
5	10	105	55	15.00
10	15	140	70	19.00
15	20	185	85	24.00
20	25	200	100	27.00
25	35	225	115	30.00
30	35	250	125	33.00
35	40	280	135	36.00
40	45	305	145	39.00
45	50	330	155	42.00
50	55	360	165	45.00
55	60	385	180	48.00
60	65	415	195	51.00
65	70	440	205	54.00
70	75	470	220	58.00
75	80	495	230	61.00
80	85	520	245	65.00
85	90	555	255	69.00
90	95	590	270	72.00
95	100	620	280	76.00
100	110	660	305	81.00
110	120	700	330	86.00
120	130	750	355	92.00
130	140	800	375	98.00
140	150	850	395	104.00
150	160	900	420	111.00
160	170	950	445	116.00
170	180	1000	470	123.00
180	190	1050	495	129.00
190	200	1100	520	135.00

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APPENDIX D
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<u>Constructive Miles</u>		<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>Over</u>	<u>But Not Over</u>	<u>Rates in Cents</u> <u>Per Unit of</u> <u>200 Cubic Feet</u> ¹	<u>Rates in</u> <u>Cents Per</u> <u>2000-Lb.Ton</u> ¹	<u>Rates in Dollars</u> <u>Per Shipment</u>
200	210	1150	540	\$141.00
210	220	1200	560	147.00
220	230	1250	580	153.00
230	240	1300	600	159.00
240	250	1350	620	164.00
250	For each 25 miles or frac- tion thereof, add to the rate for 250 miles.	110	55	14.00

¹ Subject to a minimum charge of \$9 per shipment.

Note 1 Not subject to the provisions of Items Nos. 85, 142, 150, 160, 161, 170, and 171.

Note 2 If more than one vehicle or combination of vehicles consisting of a single unit of carrier's equipment is used for a single shipment, transportation performed by each such vehicle or combination of vehicles shall be assessed charges as a separate shipment.

Note 3 (Exception to Item No. 100, Computation of Distances.) The mileage basing point for Fairhaven shall be Samoa, in connection with the rates in this item.

Note 4 (Exception to Item No. 250, Collection of Charges.) Freight bills may be presented within 7 calendar days after the close of the month in which the freight was transported.

APPENDIX D
Page 3 of 4

Examiner's Recommended Tariff Amendments
(New Item)

Sawmill Refuse, viz.:

Shavings, wood¹

Sawdust, wood¹

Fuel, wood (hog fuel), composed of ground or shredded waste wood or wood sawdust which may also contain one or more of the following commodities:²

Shavings, wood

Sawdust, wood

Bark, ground or shredded

In bulk, in units of 200 cubic feet, subject to Notes 1 and 2.

<u>Constructive Miles</u>		<u>Rates in Cents Per Unit³</u> <u>or Fraction Thereof.</u>
<u>Over</u>	<u>But Not Over</u>	
0	5	70
5	10	90
10	15	110
15	20	130
20	30	155
30	40	180
40	50	200
50	60	220
60	70	235
70	80	250
80	Apply Class Rates	

- 1 Applies to commodities which are to be utilized in the production of particleboard, flakeboard, hardboard, pulpboard or woodpulp.
- 2 Applies only to wood fuel, not further processed than ground or shredded, which is to be used as fuel.
- 3 Subject to a minimum charge of \$9 per shipment.

Note 1 If more than one vehicle or combination of vehicle consisting of a single unit of equipment is used for the transportation of a single shipment, each such vehicle or combination of vehicles shall be subject to the minimum charge applicable.

Note 2 Not subject to the provisions of Items Nos. 142, 150, 160, 161, 170 and 171.

APPENDIX D
Page 4 of 4

Examiner's Recommended Tariff Amendments
(Revised Items)

Item No. 40: Cancel reference to "Chips, wood, in bulk",
"Sawmill Refuse", "Shavings, Wood" and Note 14.

Item No. 120: Amend as follows (Underscoring indicates addition):

2nd Paragraph:

Rates in this tariff, subject to minimum weights of 10,000 pounds or more, include loading into and unloading from carrier's equipment at established depots. At points of origin or points of destination other than established depots, rates in this tariff (other than common carrier rates, applied under the provisions of Items Nos. 200, 210, 220 and 230), subject to minimum weights of 10,000 pounds or more, and rates provided in Items Nos.
include the services of one man (driver or helper) for loading or unloading of the carrier's equipment, subject to the provisions of Item No. 140.

Supplement No. 74

Paragraph 3(b)

Shipments transported under the rates set forth in Items Nos. 690, 720, 721-1, 720-2, 745 and _____ (Chips, wood, in bulk) of this tariff.

APPENDIX B TO DECISION NO. 77798

LIST OF SUPPLEMENT, ORIGINAL AND REVISED PAGES

TO MINIMUM RATE TARIFF NO. 2

AUTHORIZED BY SAID DECISION

SUPPLEMENT 75

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SEVENTH REVISED PAGE 18-B

SIXTEENTH REVISED PAGE 48

ORIGINAL PAGE 48-A

ORIGINAL PAGE 51-HHH

(END OF APPENDIX B LIST)

SUPPLEMENT 75
(Cancels Supplement 74)
(Supplements 71, 73 and 75 Contain All Changes)

TO
MINIMUM RATE TARIFF 2

NAMING
MINIMUM RATES AND RULES

FOR THE
TRANSPORTATION OF PROPERTY OVER THE
PUBLIC HIGHWAYS WITHIN THE
STATE OF CALIFORNIA

BY
RADIAL HIGHWAY COMMON CARRIERS
HIGHWAY CONTRACT CARRIERS
CEMENT CONTRACT CARRIERS
AND
HOUSEHOLD GOODS CARRIERS

APPLICATION OF SURCHARGES
(See Page 2 of This Supplement)

Decision No. 77798

EFFECTIVE

Issued by the
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
State Building, Civic Center
San Francisco, California 94102

APPLICATION OF SURCHARGES

1. The surcharges herein provided apply only to shipments, or component parts of split pickup shipments or split delivery shipments, having point of origin, point of destination, or point of origin and point of destination within the CENTRAL COASTAL TERRITORY as described in Item 270.
2. The surcharges herein provided apply only in connection with rates and charges named in Sections 2 and 3, small shipment service charges provided in Item 149 and minimum charges provided in Item 150 of this tariff.
3. The surcharges herein provided will not apply in connection with the following:
 - (a) Shipments of the commodities described in Items 652, 652½, 652¾ and 653 when transported at rates subject to minimum weights of 10,000 pounds or more.
 - (b) Shipments transported under the rates set forth in Items *635, *636, 690, 691, 720, 720-1, 720-2, *729 and 745 of this tariff.
 - (c) The intermediate application of rates which make reference to Item 900 or 900-1 of this tariff when neither point of origin nor point of destination is within CENTRAL COASTAL TERRITORY.
4. The surcharges herein provided shall be in addition to all other surcharges provided by this tariff.
5. Compute the amount of charges in accordance with the rates named in this tariff (including any surcharges otherwise applicable) and increase the amount so computed by the amounts set forth in Surcharge Table "A" or "B" as follows:

(a) SURCHARGE TABLE "A"
(Applies only in connection with shipments other than split pickup shipments or split delivery shipments.)

Weight of Shipment (Pounds)		Surcharge in Cents per Shipment		Weight of Shipment (Pounds)		Surcharge in Cents per Shipment	
Over	But Not Over	Column 1	Column 2	Over	But Not Over	Column 1	Column 2
0	100	15	30	5,000	20,000	170	340
100	500	25	50	20,000	50,000	285	570
500	1,000	50	100	For each additional 10,000 pounds, or fraction thereof, add an additional charge of-----			
1,000	2,000	75	150			90	180
2,000	5,000	125	250				

Column 1 Surcharges: Apply when point of origin or point of destination is located within the CENTRAL COASTAL TERRITORY.

Column 2 Surcharges: Apply when both point of origin and point of destination are located within the CENTRAL COASTAL TERRITORY.

(b) SURCHARGE TABLE "B"
(Applies only in connection with split pickup shipments or split delivery shipments)

Weight of Shipment or Component Part Thereof (Pounds)		Surcharge in Cents Per Shipment or Per Component Part Thereof		Weight of Shipment or Component Part Thereof (Pounds)		Surcharge in Cents Per Shipment or Per Component Part Thereof	
Over	But Not Over			Over	But Not Over		
0	100	15		5,000	20,000	170	
100	500	25		20,000	50,000	285	
500	1,000	50		For each additional 10,000 pounds or fraction thereof, add an additional charge of-----			
1,000	2,000	75				90	
2,000	5,000	125					

(1) When the point of origin of any component part of a split pickup shipment or the point of destination of any component part of a split delivery shipment is within the CENTRAL COASTAL TERRITORY, apply Surcharge Table "B" to the actual weight of each such component part; and

(2) When the point of destination of a split pickup shipment or the point of origin of a split delivery shipment is within the CENTRAL COASTAL TERRITORY, apply Surcharge Table "B" to the total weight of the shipment.

THE END

Change)
Addition) Decision No. 77798

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* Addition, Decision No. 77798	
EFFECTIVE	
Correction 2313	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA

INDEX OF COMMODITIES (Continued)

Only those articles which are named in commodity rate items or in Exceptions to the Governing Classification and Exception Ratings Tariff are shown in the following list.

COMMODITY	ITEM	COMMODITY	ITEM
Candles (M)	377.5,723-726	Cocoa	360
Candy	360	Cocoanut, prepared	333.5
Candy coating, other than chocolate	360	Coffee	360
Canned Goods	320-320-1, 620,630	Coffee, extract of (condensed or instant), dry	360
Carriers, (used packages), malt or cereal beverage	331	Coffee Substitutes	360
Carriers (used packages)	330,330.5,331	Coloring, Confectioners'	360
Carts, Freight	331	Compound, cleaning (M)	377.5,723-726
Catsup	320-1	Compound, electrical insulating (M)	377.5,723-726
Cement, pipe fitting (M)	377.5,723-726	Compound, metal cutting, drawing or drilling (M)	377.5,723-726
Cereal and Nuts combined	360	Compound, paint thinning (M)	377.5,723-726
Cereal Food Preparations (M)	360	Compound, pneumatic tire mounting (M)	377.5,723-726
Cheese	335.5	Compound, radiator cleaning (M)	377.5,723-726
Cheese Foods	335.5	Compound, rust preventing or removing (M)	377.5,723-726
Chili, ground	320	Compound, type cleaning (M)	377.5,723-726
*Chips, Wood	635-636	Compound, waterproofing (M)	377.5,723-726
Chloride of Lime Bleach	730-732	Compounds, ammonia	730-732
Chocolate	360	Compounds, antifreeze (M)	377.5,723-726
Chocolate Coating	360	Compounds, buffing or polishing	730-732
Chowders	320	Compounds, Cleaning, Scouring or Washing	730-732
Citrus Fruit Juice Powders or Crystals	360	Compounds, carbon, gum or sludge removing (M)	377.5,723-726
Clay, Fire (M)	365		
Coating, candy, other than chocolate	360		
Coating, Chocolate	360		

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

* Addition, Decision No.

77798

EFFECTIVE

Correction 2314

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA.

INDEX OF COMMODITIES (Continued)

Only those articles which are named in commodity rate items or in Exceptions to the Governing Classification and Exception Ratings Tariff are shown in the following list.

COMMODITY	ITEM	COMMODITY	ITEM
Salad Dressing Preparations, dry	360	Solvent (M)	377.5, 723-726
Salads, Fish, Macaroni, Meat or Vegetable	360	Solvent, Drain pipe	730-732
Salt, common	380	Soups	320
Salt (M)	360	Sour, laundry	730-732
Sandwich Spreads	320-1, 345	Spaghetti and Cheese	345
Sauce, pepper	320-1	Spaghetti, except canned	360
Sauces, table	320-1	Spaghetti (prepared)	320
Sausage	320-1	Spaghetti, dry, and other ingredients	345, 360
Sausage casings	320-1	Spices	360
*Sawdust, Wood	729	Spreads, sandwich	320-1, 345
*Sawmill Refuse	729	Stain, wood (M)	377.5, 723-726
Seeds as described under that heading in the Governing Classification	383, 652-654, 690, 710	Starch	730-732
Shakes	729	Steam Boiler Trucks (M)	365
*Shavings, Wood	729	Steel, plate or sheet (M)	365
Sheets, sawdust or ground wood, compressed	690, 710	Steel Wool and Soap, combined (M)	360
Shells, cocoa bean	652-654, 690, 710	Stout	310, 360
Shells, Nut	652-654, 690, 710	Sugar	390, 740, 745, 755
Shingles	690, 710	Sugar, beet or cane	390
Shook, box or crate	690, 710	Sugar, corn, sorghum grain or wheat	390
Shortening	335.5	Supplies, Oil, Water or Gas Well	365
Smokestacks (M)	365	Syrup	320-1
Soap	730-732	Syrups, Fruit	360
Soap, liquid (M)	377.5, 723-726	Syrup, Malt	360
Soap, liquid	730-732		
Soap, powder	730-732	Table Sauces	320-1
Soda, Washing	730-732	Tanks, steel (M)	365
Sodium Hypochlorite Solution	730-732	Tapioca	360
Softeners, textile	730-732		

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

* Addition, Decision No.

77798

EFFECTIVE

Correction 2316

ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA,
SAN FRANCISCO, CALIFORNIA

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES (Items 40, 41 and 42)</p> <p>Rates in this tariff apply for the transportation of all commodities except as follows:</p> <p>Accessories, motion picture, Automobiles, set up, Automobile parts, accessories and related articles in secondary movement by Truckaway Service when subject to the rates, rules and regulations set forth in Minimum Rate Tariff 12. Baggage, Buttermilk, liquid (Subject to Note 2), Carriers (used packages), as described in Items 320 and 321 of the Exception Ratings Tariff, empty returning or forwarded for return loads (Subject to Note 1), Cement, hydraulic, masonry, natural or Portland--also lime, common (including magnesium lime, hydrated or hydraulic lime, quick or slaked), cement flue dust, and/or limestone, powdered, shipped in mixed shipments with cement--when transported in shipments of 47,500 pounds or more, or when transported in shipments of lesser weights subject to the rates, rules and regulations, including the minimum charge computed on a minimum weight of 47,500 pounds, which are set forth in Minimum Rate Tariff 10, Cement Clinker, *** Commodities as described in and for which rates are provided in Minimum Rate Tariff 14-A, Commodities of abnormal size or weight which because of such size or weight require the use of and are transported on low bed trailers, Commodities when transported in an armored car operated under permit from the Commissioner of the California Highway Patrol, Commodities when transported in dump trucks, for which rates are provided in Minimum Rate Tariffs 7 and 17, Commodities when transported under the vehicle unit rates, rules and regulations of Minimum Rate Tariffs 5 and 15, Commodities which consist of or contain materials essential to National Defense and which have been donated to and are transported for the United States Government, governmental agencies, or nonprofit organizations acting for or in behalf of said government in the collection, assembly or transportation of said commodities in connection with the recovery of said essential materials from the commodities transported, Commodities which have been sold at retail by a retail merchant, and transported from a retail store or retail store warehouse to residences of retail customers, or transported from residences of retail customers to retail stores or retail store warehouses, and such transportation is performed in vehicles in the exclusive use of the retailer and providing no shipment exceeds 2,000 pounds in weight; further, that the merchandise is for the use or consumption of retail customers and is not for use in the furtherance of an industrial or commercial enterprise; and provided that the retailer shall certify on the shipping document for each delivery that the merchandise was sold at retail to a retail customer, Concrete transported in motor vehicles equipped for mechanical mixing in transit, Cottage Cheese, Cotton, Cream (Subject to Note 2), Directories, telephone, Disaster Supplies, i.e., those commodities which are allocated to provide relief during a state of extreme emergency or state of disaster; and those commodities which are transported for a civil defense or disaster organization established and functioning in accordance with the California Disaster Act to ultimate point of storage or use prior to ordering a state of disaster or state of extreme emergency, Eggs (other than shelled, desiccated or frozen), Fertilizers, as described in Items 540, 560 and 580 of the Exception Ratings Tariff, Film, motion picture, Fruit, dried, unmanufactured and unprocessed (Subject to Note 4), Fruit, fresh or green, including dates, fresh, (not cold pack nor frozen), Fruits, which are placed in a preservative and are destined to a cannery for processing into a preserved or pickled fruit, Fungicides, agricultural,</p> <p style="text-align: center;">(Continued in Item 41)</p>	640
6 Change ** "Chips, Wood, in bulk" eliminated }	Decision No. 77798
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.	

Correction 2317

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p style="text-align: center;">APPLICATION OF TARIFF--COMMODITIES (Continued) (Items 40, 41 and 42)</p> <p>Rates in this tariff apply for the transportation of all commodities except as follows:</p> <p>Furniture, household appliances and other home furnishings which have been sold at retail by a retail merchant, transported from retail stores or retail store warehouses, or transported from retail customers to retail stores or retail store warehouses (Subject to Note 3).</p> <p>Furniture, uncrated, new, as described in and for which rates are provided in Minimum Rate Tariff 11-A, and furniture, uncrated, new, of state, county or municipal governments, or transported under an agreement whereby the governments contracted for the carrier's services.</p> <p>Hops.</p> <p>Houses which have been disengaged from their foundations, or sections thereof and integral parts or contents when the contents are transported within the houses.</p> <p>Hulls, almond, including shells and other waste from the hulling and shelling of almonds, not processed for use as animal or poultry feed.</p> <p>Ice Cream Mix, unflavored.</p> <p>Insecticides, agricultural.</p> <p>Jewelry transported from or to wholesale houses in packages weighing 10 pounds or less.</p> <p>Liquids, compressed gases, commodities 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. The terms "tank trucks, tank trailers and tank semi-trailers" include any truck, trailer or semi-trailer with carrier or shipper provided collapsible tanks or bags 20 feet or more in length, 2,000 gallons or more in capacity and 20,000 pounds or more weight carrying capacity (Subject to Note 15).</p> <p>Livestock.</p> <p>Logs (wood).</p> <p>Milk, liquid (Subject to Note 2).</p> <p>Mushrooms, fresh (not cold pack nor frozen).</p> <p>Newspapers, newspaper supplements, sections or inserts (not scrap or waste).</p> <p>Nuts, in the shell.</p> <p>Nuts, field shelled (rough shelled, with or without removal of broken shells, dirt, residue, or foreign material, and not cleaned nor further processed).</p> <p>Optical goods transported from or to wholesale houses in packages weighing 10 pounds or less.</p> <p>Pits, fruit.</p> <p>Pot Cheese.</p> <p>Poultry, live.</p> <p>Pozzolan in bulk, when loaded and unloaded pneumatically and when the loads are compacted pneumatically in the loading process and when transported in shipments of 47,500 pounds or more (or when transported in shipments of lesser weights) subject to the rates and miles, including the minimum charge computed on a minimum weight of 47,500 pounds, which are set forth in Minimum Rate Tariff 10 (Subject to Note 16).</p> <p>Property of the United States, or property transported under an agreement whereby the United States contracted for the carrier's services.</p> <p>Property shipped to or from producers of motion pictures or television shows when transported subject to the rates, rules and regulations provided by Decision No. 33226, in Cases Nos. 4246 and 4434, as amended.</p> <p>Property transported to a United States Post Office for mailing and United States mail transported from a post office to the addresses thereof (Subject to Note 11).</p> <p>Property which is exempt from regulation by the Interstate Commerce Commission under Sections 203(b)(6) and 203(b)(8) of the Interstate Commerce Act.</p> <p>Sea shells, crushed, ground, powdered or disintegrated (Subject to Note 5).</p> <p>Seeds, as described under that heading in the Governing Classification, when shipped from point of growth to an accumulation station or point of initial processing, or from an accumulation station to point of initial processing; in bulk, or in containers with a capacity exceeding 40 cubic feet, or in packages weighing 50 pounds or more.</p> <p>Shell Marl, crushed, ground, or powdered, (Subject to Note 5).</p> <p>Shells, walnut.</p> <p>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).</p> <p style="text-align: center;">(Continued in Item 42)</p>	<p style="text-align: center;">441</p>
<p>Change ** "Sawmill Refuse" and "Shavings, wood or sawdust, wood" eliminated</p>	<p>Decision No. 77798</p>
EFFECTIVE	
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA. SAN FRANCISCO, CALIFORNIA.	
Correction 2318	

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM
<p data-bbox="459 435 1103 486">APPLICATION OF TARIFF--COMMODITIES (Concluded) (Items 40, 41 and 42)</p> <p data-bbox="117 504 1384 563">Shipments weighing 10 pounds or less when transported by carriers which operate no vehicles exceeding a licensed weight of 4,000 pounds (Subject to Note 12),</p> <p data-bbox="117 580 227 606">Sulphur,</p> <p data-bbox="117 624 1400 700">Trailer coaches and campers set up, (including contents and furniture and other personal effects for use outside of trailer coaches) for which rates are provided in Minimum Rate Tariff 18,</p> <p data-bbox="117 718 1191 744">United States mail transported for the Post Office Department under contract,</p> <p data-bbox="117 764 1430 886">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 4-B, and used property as described therein of state, county or municipal governments, or transported under an agreement whereby the governments contracted for the carrier's services,</p> <p data-bbox="117 904 1245 937">Vegetables, fresh or green, including mushrooms, fresh (not cold pack or frozen),</p> <p data-bbox="117 955 1389 1014">Vegetables, which are placed in a preservative and are destined to a cannery for processing into a preserved or pickled vegetable,</p> <p data-bbox="117 1031 1389 1082">Vegetables, dried, viz.: Beans (except Mesquite), Lentils, Onions, Peas (except Cow Peas), Pepper Pods,</p> <p data-bbox="117 1100 1389 1151">Voting Booths, Ballot Boxes, Election Tents and Election Supplies, when transported from or to polling places.</p> <p data-bbox="117 1169 1389 1271">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 80 of the Exception Ratings Tariff).</p> <p data-bbox="117 1289 1433 1340">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 data-bbox="117 1358 1389 1409">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 100.</p> <p data-bbox="117 1426 1405 1500">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 data-bbox="117 1518 1422 1577">NOTE 5.--Exemption applies only when shipper certifies on the shipping document covering the transportation that the shells or Shell Marl are being shipped for use as a fertilizer.</p> <p data-bbox="117 1595 1405 1671">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 100.</p> <p data-bbox="117 1689 1367 1747">NOTE 12.--Exemption applies only to transportation between points located within the Los Angeles Basin Territory as described in Item 270.</p> <p data-bbox="199 1765 227 1791">**</p> <p data-bbox="199 1809 227 1834">**</p> <p data-bbox="194 1877 1384 1911">NOTE 15.--The portion of this exemption preceded by # expires with December 31, 1970.</p> <p data-bbox="117 1928 1414 1979">NOTE 16.--Exemption applies only between points within Southern Territory, as described in Item 80 of Minimum Rate Tariff 10, and expires with April 13, 1971.</p>	<p data-bbox="1488 1192 1533 1217">442</p>
<p data-bbox="161 2051 563 2102"># Change ** Notes 13 and 14 eliminated</p> <p data-bbox="629 2051 971 2102">} Decision No. 77798</p>	
EFFECTIVE	
Correction 2328	ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.

SECTION 1--RULES OF GENERAL APPLICATION (Continued)	ITEM														
<p style="text-align: center;">APPLICATION OF RATES</p> <p>Rates in this tariff, and common carrier rates applied under the provisions of Items 200, 210, 220 and 230, subject to minimum weights of less than 10,000 pounds, include loading into and unloading from the carrier's equipment. When the carrier picks up or delivers a shipment subject to a minimum weight of less than 10,000 pounds and weighing more than 100 pounds, at a point not at street level, and no vehicular elevator service or vehicular ramp is provided and made available to the carrier, an additional charge of 13½ cents per 100 pounds, minimum additional charge \$1.00 per shipment, shall be assessed for the service of handling shipment beyond the carrier's equipment.</p> <p>Rates in this tariff, subject to minimum weights of 10,000 pounds or more, include loading into and unloading from carrier's equipment at established depots. At points of origin or points of destination other than established depots, rates in this tariff (other than common carrier rates, applied under the provisions of Items 200, 210, 220 and 230), subject to minimum weights of 10,000 pounds or more, and rates provided in Items 635, 636 and 729 include the services of one man (driver or helper) for loading or unloading of the carrier's equipment, subject to the provisions of Item 140.</p>	<p style="text-align: center;">6120</p>														
<p style="text-align: center;">CHARGES FOR ESCORT SERVICE</p> <p>In addition to all other applicable rates and charges named in this tariff, the following charges shall be assessed on shipments requiring escort service:</p> <p>(a) A charge of \$9.50 per hour, plus 8½ cents per mile computed in accordance with the provisions of Item 100, shall be made for each escort vehicle and driver furnished, for the time and distance said vehicle and driver are engaged in such service (See Note).</p> <p>(b) A charge shall be made equal to the actual cost of any bridge or ferry tolls incurred for each escort car.</p> <p>(c) A charge of \$9.50 per twenty-four (24) hour period shall be assessed for subsistence for each escort driver if service requires over-night delay.</p> <p>NOTE.—Charges for fractions of an hour shall be determined in accordance with the following table:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>MINUTES</u></th><th style="text-align: center;"><u>But</u></th></tr> <tr> <th style="text-align: center;"><u>Over</u></th><th style="text-align: center;"><u>Not Over</u></th></tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td><td style="text-align: center;">8</td></tr> <tr> <td style="text-align: center;">8</td><td style="text-align: center;">23</td></tr> <tr> <td style="text-align: center;">23</td><td style="text-align: center;">38</td></tr> <tr> <td style="text-align: center;">38</td><td style="text-align: center;">53</td></tr> <tr> <td style="text-align: center;">53</td><td style="text-align: center;">60</td></tr> </tbody> </table> <p style="text-align: right;">omit shall be ¼ hour shall be ½ hour shall be ¾ hour shall be 1 hour</p>	<u>MINUTES</u>	<u>But</u>	<u>Over</u>	<u>Not Over</u>	0	8	8	23	23	38	38	53	53	60	<p style="text-align: center;">124</p>
<u>MINUTES</u>	<u>But</u>														
<u>Over</u>	<u>Not Over</u>														
0	8														
8	23														
23	38														
38	53														
53	60														
<p>6 Change) * Addition) Decision No. 77798</p>															
EFFECTIVE															
<p style="text-align: center;">ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA</p>															

Correction 2320

SECTION 3--COMMODITY RATES					ITEM
CHIPS, Wood, in bulk (Subject to Notes 1, 2, 3 and 4 in Item 636). (Items 635 and 636)					
Rates apply according to the defined geographical area in which the point of destination is located. When the point of destination of a shipment is located within: (a) The county of Mendocino, apply Column A rates. (b) The county of Del Norte, Humboldt or Shasta, apply Column B rates. (c) Any county not included in (a) and (b) above, apply Column C rates.					
MILES But Over Not Over		Column A	Column B	Column C	
		RATES (In Cents Per Unit of 200 Cubic Feet)(1)	RATES (In Cents Per 2000-Pound Ton)(1)	RATES (In Dollars Per Shipment)	
0	5	80	40	\$ 11.00	*635
5	10	105	55	15.00	
10	15	140	70	19.00	
15	20	185	85	24.00	
20	25	200	100	27.00	
25	30	225	115	30.00	
30	35	250	125	33.00	
35	40	280	135	36.00	
40	45	305	145	39.00	
45	50	330	155	42.00	
50	55	360	165	45.00	
55	60	385	180	48.00	
60	65	415	195	51.00	
65	70	440	205	54.00	
70	75	470	220	58.00	
75	80	495	230	61.00	
80	85	520	245	65.00	
85	90	555	255	69.00	
90	95	590	270	72.00	
95	100	620	280	76.00	
100	110	660	305	81.00	
110	120	700	330	86.00	
120	130	750	355	92.00	
130	140	800	375	98.00	
140	150	850	395	104.00	
(1) Subject to a minimum charge of \$9.00 per shipment. (Continued in Item 636)					
(2) Fifteenth Revised Page 48 was canceled by Supplement 73. * Addition, Decision No. 77798					
EFFECTIVE					
ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA.					
Correction 2321					

SECTION 3--COMMODITY RATES				ITEM
CHIPS, Wood, in bulk (Concluded) (Subject to Notes 1, 2, 3 and 4) (Items 635 and 636)				
Rates apply according to the defined geographical area in which the point of destination is located. When the point of destination of a shipment is located within: (a) The county of Mendocino, apply Column A rates. (b) The county of Del Norte, Humboldt or Shasta, apply Column B rates. (c) Any county not included in (a) and (b) above, apply Column C rates.				
MILES		Column A	Column B	Column C
Over	But Not Over	RATES (In Cents Per Unit of 200 Cubic Feet) (1)	RATES (In Cents Per 2000-Pound Ton) (1)	RATES (In Dollars Per Shipment)
150	160	900	420	\$111.00
160	170	950	445	116.00
170	180	1000	470	123.00
180	190	1050	495	129.00
190	200	1100	520	135.00
200	210	1150	540	141.00
210	220	1200	560	147.00
220	230	1250	580	153.00
230	240	1300	600	159.00
240	250	1350	620	164.00
250	For each 25 miles or frac- tion thereof, add to the rate for 250 miles:	110	55	14.00
(1) Subject to a minimum charge of \$9.00 per shipment. NOTE 1.--Not subject to the provisions of Items 85, 142, 150, 160, 161, 162, 163, 170, 171, 172 and 173. NOTE 2.--If more than one vehicle or combination of vehicles consisting of a single unit of carrier's equipment is used for a single shipment, transportation performed by each such vehicle or combination of vehicles shall be assessed charges as a separate shipment. NOTE 3.--(Exception to Item 100, Computation of Distances) The mileage basing point for Fairhaven shall be Samoa, in connection with the rates in this item. NOTE 4.--(Exception to Item 250, Collection of Charges) Freight bills may be presented within 7 calendar days after the close of the month in which the freight was transported. Freight bills may be presented in individual or manifest form.				
*Addition, Decision No. 77798				
EFFECTIVE				
Correction 2322 <div>ISSUED BY THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA, SAN FRANCISCO, CALIFORNIA</div>				

