

ORIGINAL

Decision No. 50847

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation into
the rates, rules, regulations, charges,
allowances and practices of all common
carriers, highway carriers and city
carriers relating to the transportation
of fresh or green fruits and vegetables
and related items (commodities for which
rates are provided in Minimum Rate
Tariff No. 8).

Case No, 5438
(Petition No. 6)

SUPPLEMENTAL OPINION AND ORDER

By petition filed September 30, 1954, the California Grape and Tree Fruit League and the California Citrus League seek an interim order exempting the application of the minimum rates named in Minimum Rate Tariff No. 8 (formerly Highway Carriers' Tariff No. 8) to shipments of fresh fruits moving in interstate and foreign commerce pending an investigation and study of transportation costs and other data pertaining to the handling of such traffic.

Petitioners point out that motor vehicles used in carrying property consisting of agricultural commodities (not including manufactured products thereof) if such motor vehicles are not used in carrying any other property for compensation are exempt from rate regulation of the Interstate Commerce Commission.¹ Such transportation in interstate or foreign commerce between points in California is subject to the minimum rates established by this Commission.²

Petitioners allege that the average annual shipments of citrus fruits and fresh deciduous tree fruits, grapes and berries to interstate destinations and for export are substantial; that the application of the minimum rates sought to be

¹ Section 203(b)(6) of the Interstate Commerce Act.

² See Decision No. 50156 of June 18, 1954, in Case No. 5432 (Pet. 37).

suspended on this traffic has resulted and will continue to result in extreme hardship upon the fresh fruit industry of California; and that continued application of the rates will have a serious adverse effect upon the economy of the State. Petitioners further allege that the volume of the transportation charges affects the ability of California shippers to compete in the world markets; that should this traffic not be exempted from the minimum rates, shippers would of necessity be forced to direct considerable tonnage of fresh fruits to domestic markets, thereby creating an oversupply and depressed sales prices which would result in low returns not only on the export portion of the business but also on the volume of shipments normally sold on the domestic markets.

It is the policy pursued by this Commission in rate making to establish such rates as will promote the freedom of movement by carriers of products of agriculture at the lowest lawful rates compatible with the maintenance of adequate transportation service (Public Utilities Code, Secs. 726 and 3661). The Commission has heretofore directed that public hearings be held to determine to what extent, if at all, the existing minimum rates should be modified for application to the interstate and foreign traffic herein involved. The hearing processes necessarily will require time. It is now concluded that the rates in Minimum Rate Tariff No. 8 should be made inapplicable on an interim basis to the transportation of the fresh fruits and other commodities covered by the tariff when such commodities are moving in interstate or foreign commerce and are exempt from rate regulation by the Interstate Commerce Commission. The exemption will be provided for a six-month period, subject to change, further extension or earlier cancellation as the need therefor may be made to appear. A public hearing in this petition is not necessary. The following order will make the exemption effective at the earliest date possible, giving due and

necessary consideration to the time required for publication and service upon affected parties.

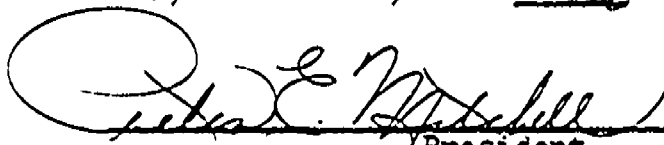
Therefore, good cause appearing,

IT IS HEREBY ORDERED that Minimum Rate Tariff No. 8 (Appendix "C" to Decision No. 33977 as amended), be and it is hereby further amended by incorporating therein, to become effective November 1, 1954, Supplement No. 8 Cancels Supplement No. 7, attached hereto and by this reference made a part hereof.

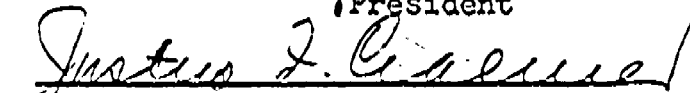
In all other respects said Decision No. 33977, as amended, shall remain in full force and effect.

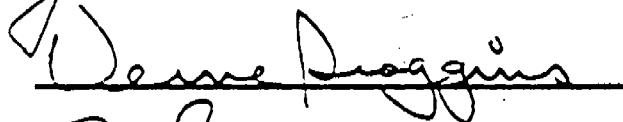
This order shall become effective November 1, 1954.

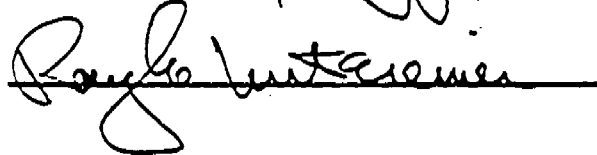
Dated at San Francisco, California, this 13th day of October, 1954.



President







Commissioners

SUPPLEMENT NO. 8

(Cancels Supplement No. 7)

To

MINIMUM RATE TARIFF NO. 8

(Formerly Highway Carriers' Tariff No. 8)

Naming

MINIMUM RATES, RULES AND REGULATIONS

For The

TRANSPORTATION OF FRESH FRUITS, FRESH

VEGETABLES AND EMPTY CONTAINERS OVER

THE PUBLIC HIGHWAYS BETWEEN POINTS

IN THE STATE OF CALIFORNIA AS

DESCRIBED HEREIN

BY

RADIAL HIGHWAY COMMON CARRIERS

AND

HIGHWAY CONTRACT CARRIERS

*TEMPORARY COMMODITY EXEMPTION

Expires with April 30, 1955

Item No. 40 is temporarily amended by the addition of the following exemption:

Rates, rules and regulations named in this tariff will not apply on commodities moving in interstate or foreign commerce between points in California to the extent such commodities are exempt from rate regulation by the Interstate Commerce Commission under the provisions of Section 203(b)(6) of the Interstate Commerce Act.

*Decision No. 50647 dated October , 1954, in Case No. 5438

EFFECTIVE NOVEMBER 1, 1954

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