

ORIGINALDecision No. 53515

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 Mini-)
 mum Rate Tariff No. 8).)

Case No. 5438
 Petition
 for Modification No. 12

(Appearances will be listed in the
 final order in this proceeding.)

INTERIM OPINION

George C. Smith, Jr., doing business as Smith Transportation Company, a highway common carrier, seeks authority under Section 452 of the Public Utilities Code to reduce rates in his tariff for the transportation of strawberries, lettuce, romaine, carrots, celery, broccoli, tomatoes, chicory, cauliflower, beans, potatoes, peppers, peas and artichokes from packing sheds, processing plants and coolers, and from roadside in the case of lettuce and carrots, subject to a minimum weight of 10,000 pounds, at points and places in the Lompoc Valley area and the Santa Maria Valley area to Los Angeles. The rates proposed are lower than the rates established in Minimum Rate Tariff No. 8.

Hearings have been held before Examiner J. E. Thompson at Santa Maria. The California Trucking Association, Inc., has filed a petition requesting the Commission to direct the examiner to prepare and file a proposed report. It is alleged that the issues arising out of this proceeding are of state-wide importance and concern principles which, if approved by the Commission, would

affect not only rates for the transportation of produce between Santa Maria and Los Angeles, but also the minimum rates established state wide for the transportation of general commodities.

While the petitioner does not disclaim that the issues here are of state-wide importance, he indicated that any procedure which would prevent a prompt consideration of his petition would have an untoward effect upon him and the farmers and shippers in the Santa Maria area by reason of the approach of the peak of the harvest season in August and September.

The petition of the California Trucking Associations, Inc., is persuasive that a proposed report will promote the administration of justice but the proximity of the peak of the harvest season gives pause to the consideration of whether any delay would be unreasonable.

The record indicates that the principal industries in the Santa Maria Valley area are agriculture and petroleum. Substantial acreage is devoted to the growing of produce, of which a large portion is shipped to the Los Angeles market. Growers of potatoes in the area compete in the Los Angeles market with growers in Tulare and Kern Counties. Testimony of witnesses discloses that during the lettuce season in 1955 a number of growers ploughed under crops of lettuce because they were unable to compete in the market.

Lettuce and potatoes are the principal produce crops grown in the area as evidenced by the statistical reports of the United States Department of Agriculture which disclose that during 1955 there was shipped by motor vehicle from Santa Barbara and San Luis Obispo Counties to the Los Angeles markets a total of 6,380-carload equivalents of produce of which 3,455 was lettuce and 670 was potatoes. To the extent that transportation rates on these commodities are a factor to the growers being able to compete in the Los Angeles markets, a delay no matter how short, in a determination of this proceeding might have an adverse effect upon the economy of the area.

The record shows that during the harvest season potatoes and lettuce are usually shipped in truckload quantities. Growers and shippers testified that they desired equality of transportation rates with other growers and shippers in the Earlimart-Pixley area. The minimum rate for the transportation of potatoes in truckload quantities from Pixley to the Los Angeles Markets is 32 cents per 100 pounds, subject to a minimum weight of 40,000 pounds. The constructive mileage from Pixley to Los Angeles is 186½ miles. The constructive mileage from Santa Maria to Los Angeles is 192½ miles. Petitioner proposes a rate of 37 cents per 100 pounds, minimum weight 36,000 pounds. While the witnesses compared the mileages as between Pixley and Santa Maria, it must be pointed out that Pixley is at the northern extremity of an area from which the 32-cent rate applies, or the furthestmost point in the area from Los Angeles, while Santa Maria is approximately in the center of the area from which the 37-cent rate proposed by petitioner would apply. The minimum weights applicable to the rates are different. When comparing rates, the circumstances respecting the movements on which the rates apply and the rules for the application of the rates must be given consideration. In so far as potatoes are concerned, considering the differences in minimum weights and the distances from the center of the areas to Los Angeles, a rate of 39 cents per 100 pounds, minimum weight 36,000 pounds, from the Santa Maria area to Los Angeles will provide approximately the same revenue per ton per mile as does the 32-cent rate, minimum weight 40,000 pounds from the Pixley area to Los Angeles.

With respect to lettuce, the evidence shows that during the harvest season lettuce weighs as much as 110 pounds per crate, whereas during the spring season the average weight of a crate of lettuce is about 70 pounds. The record shows that, during the harvest season, petitioner can and does transport lettuce in truckload quantities of 36,000 pounds and over. In a number of instances

truckload weights were as high as 42,000 pounds. The evidence is persuasive that at least during the harvest season a rate of 39 cents on lettuce, subject to a minimum weight of 36,000 pounds would be compensatory.

Upon consideration of all of the facts and circumstances of record, including the importance of the issues in this proceeding to carriers generally, the approach of the peak of the harvest season and the importance to the people of the Santa Maria Valley area of the marketing of the two principal items of produce, that is, potatoes and lettuce, the Commission is of the opinion and finds that pending a final determination of this proceeding a rate of 39 cents, minimum weight 36,000 pounds for the transportation of lettuce and potatoes from packing sheds and coolers, and from roadside in the case of lettuce, at points located in the Santa Maria Valley area and the Lompoc Valley area to Los Angeles is justified by transportation conditions.

The examiner is directed to prepare and file a proposed report in this proceeding in accordance with the rules of procedure.

INTERIM ORDER

Based on the evidence of record and on the findings and conclusions set forth in the preceding opinion.

IT IS ORDERED:

1. That George C. Smith, Jr., doing business as Smith Transportation Company, be and he is hereby authorized to publish and file, to become effective on or after the effective date of this order on not less than five days' notice to the Commission and to the public, and to expire November 30, 1956, a rate of 39 cents per 100 pounds, minimum weight 36,000 pounds on the commodities and between the points set forth in Appendix A, attached hereto and by this reference made a part hereof.

2. That the petitioner is authorized to depart from the provisions of Article XII, Section 21, of the Constitution of the State of California, and Section 460 of the Public Utilities Code to the extent necessary to exercise the authority granted in paragraph 1 hereof.

3. That the authority herein granted is limited strictly to its terms and is void unless exercised within thirty days after the effective date of this order.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 31st day of July, 1956.

Ed Mitchell
President
Raul Tatarian
W. J. Dool
R. A. G.

Commissioners

Commissioner JUSTUS F. CRAOMER, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Commodities:

Potatoes in sacks or crates,
Lettuce in crates.

To:

Los Angeles Zone 1 as described in Item 390 of Southwestern Motor Tariff Bureau Tariff No. 18-B, Cal. P.U.C. No. 17, J. L. Beeler, agent.

From:

Packing sheds and coolers, and roadside, in the case of lettuce only, at points and places in the following described areas:

- a. Lompoc Valley Area - Beginning at the Junction of State Highway 1 and Ocean Avenue (State Highway 150), thence westerly along Ocean Avenue to its junction with County Road near Baroda, thence northerly along County Road to its junction with Santa Ynez River, thence easterly along the Santa Ynez River to its junction with State Highway 150, thence southerly along State Highway 150 to the point of beginning.
- b. Santa Maria, Guadalupe, Oceano and Arroyo Grande Area - All points and places on or within a radius of five miles on either side of U. S. Highway 101 and State Highway 1 located north of the intersection of State Highway 1 and Clark Street in Orcutt and south of the intersection of State Highway 1 and U.S. Highway 101 near Pismo Beach, except those points which are (a) north of the intersection of U. S. Highway 101 and Tar Spring Road in Arroyo Grande and which are also north of said Highway 101 or (b) south of the intersection of Corralillos Canyon Road (Point Sal Road) and State Highway 1 and west of State Highway 1.