

ORIGINALDecision No. 55823

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MORRIS DRAYING COMPANY, a corporation,)
 for authority to charge less than the) Application No. 39336
 minimum rates in City Carriers')
 Tariff No. 2-A for transporting)
 canned pineapple.)

Aaron H. Glickman, for applicant.
Carl F. Breidenstein, for California Packing
 Corporation; A. J. Mateik, Arlo D. Poe and
 J. Quintrall, for California Trucking
 Associations, Inc.; interested parties.
Robert J. Carberry and John R. Laurie, for
 the Commission's staff.

O P I N I O N

Morris Draying Company operates as a highway common carrier, among other places, between the Cities of Alameda, Albany, Berkeley, Emeryville and Oakland. By the above-entitled application, as amended, it seeks authority to publish for a one-year period a reduced rate on shipments of canned pineapple from steamship wharves or piers at Alameda and Oakland to Emeryville.

Public hearing was held before Examiner William E. Turpen on October 1, 1957, at San Francisco.¹ Evidence was presented by applicant's vice-president, by an accountant employed by applicant and by a representative of the shipper involved. Members of the Commission's Transportation Division assisted in developing the record.

1. The application was filed August 19, 1957. During the course of the hearing, several changes in the proposal were suggested, and applicant was granted permission to file an amendment to the application within five days. The amendment was filed October 7, 1957.

The transportation here involved consists of the movement of canned pineapple unloaded at Alameda or Oakland, from vessels originating in the Hawaiian or Philippine Islands, to plants of California Packing Corporation in Emeryville. The shipments are palletized or unitized either before being loaded aboard ship in the Islands, or in the holds of the ship before being unloaded therefrom. Each unit, or package, weighs 2,000 pounds or more. Loads are available at the docks for Morris Draying Company as its vehicles arrive for loading and practically no delays are encountered at the docks. The pineapple is loaded by means of fork-lift trucks with over 40,000 pounds to a shipment. The carrier has several days in which to move the commodity from the docks. The evidence shows that applicant handles other shipments for the same shipper between its plants and warehouses and to the docks. Accordingly, applicant is able to coordinate the pineapple movements with these other shipments so as to minimize empty truck mileage and increase its efficiency of operation.

Applicant is presently charging a rate of 11-1/2 cents per 100 pounds, as named in its tariff.² The rate herein sought is \$1.35 per ton of 2,000 pounds (or 6-3/4 cents per 100 pounds), subject to a minimum annual tonnage of 2,000 tons. The proposed rate will include loading of palletized or unitized loads at the docks by the carrier and unloading at destination by the consignee. Applicant compared the sought rate with rates on canned goods, which description includes the commodity here in issue, named in Item No. 800-C of City Carriers' Tariff No. 2-A-Highway Carriers' Tariff No. 1-A. That item names a rate of 69 cents a ton between the points here involved, when loaded by shipper and unloaded by consignee, subject

2. Item 440-E of Pacific Motor Tariff Bureau Tariff No. 6-E, Cal. PUC. No. 17 of Maurice A. Owens, Agent (series of E. H. Hart). The rate is the same as named in Item No. 840-C of City Carriers' Tariff No. 2-A-Highway Carriers' Tariff No. 1-A.

to a minimum of 6,000 tons per year. It also names a rate of \$1.17 per ton, applicable from Oakland, and a rate of \$1.34 per ton, applicable from Alameda, with both loading and unloading performed by the carrier, subject to a minimum of 7,500 tons a year and 10,000 pounds per shipment. Applicant further testified that most of the pineapple shipments take place during a four-month period in the Spring, and that, for such a period, the 2,000-ton guarantee compares favorably with the year's guarantee named in Item No. 800-C of the Minimum Rate Tariff.

An accountant employed by applicant explained a cost study of the operation involved, attached to the application as Exhibit "B". This study was compiled from results of actual operations conducted during the first five months of 1957. It shows that, under the sought rate, gross revenue would have amounted to \$2,285.35; operating expenses, including income taxes, to \$1,844.08, providing a net profit of \$441.27, for an operating ratio of 80.69 per cent.

As sought in the original application the proposed rate included a minimum weight of 40,000 pounds per shipment. By amendment to the application, this minimum weight was deleted. A witness for the applicant stated that the last few shipments from each shipload may consist of a smaller quantity left over, and that for this reason, the 40,000-pound minimum was deleted from the application. However, the cost data of record is based on the transportation of an average load of over 40,000 pounds. It does not appear that the same favorable operating results would be experienced if more than a small proportion of the shipments were to be under 40,000 pounds.

The rate should be conditioned so that all shipments but two from each shipload shall be subject to a minimum weight of 40,000 pounds.

Upon consideration of all of the facts and circumstances of record, the Commission is of the opinion and finds that establishment by applicant of the proposed rate, subject to the minimum weight condition specified in the preceding paragraph, is justified by transportation conditions and should be authorized. Because the conditions under which the service is performed may change at any time, the rate will be authorized for a one-year period.

At the conclusion of the hearing, a staff member of the Transportation Division pointed out that, as the proposed rate, if authorized, will be published in applicant's tariff, it becomes available under the provisions of the minimum rate tariffs and of Section 3663 of the Public Utilities Code for the use of every other carrier and in effect becomes a minimum rate for the transportation involved. He urged that if the sought rate is authorized it be incorporated into City Carriers' Tariff No. 2-A-Highway Carriers' Tariff No. 1-A by a separate order in Case No. 5441. He cited Petition 12 in Case No. 5438 and Petition 32 in Case No. 5432 as proceedings in which this question has been considered. The California Trucking Associations, Inc., opposed this recommendation.

As the question of publication of less than minimum rates has not been settled, and the service involved here is of a special nature, no action will be taken at this time with respect to publishing the rate herein authorized in the minimum rate tariff.

O R D E R

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

IT IS ORDERED that Morris Draying Company be and it is hereby authorized, on not less than five days' notice to the Commission and to the public, to publish and file, and to expire one

year after the effective date hereof, the rate and rules specified in Appendix A attached hereto and made a part hereof, subject to the conditions set forth in said Appendix A.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 12th day of November, 1957.

Ed. E. Agnew
President

Paul L. ...

...

R. ...

E. ...
Commissioners

APPENDIX A TO DECISION NO. 55823

RATE AUTHORIZED TO BE PUBLISHED
BY MORRIS DRAYING COMPANY

Commodity: Canned Pineapple, unloaded from vessels originated in the Hawaiian or Philippine Islands, in unitized or palletized lots weighing 2,000 lbs. or more per pallet or per unit.

From: Steamship wharves or piers in Alameda or Oakland.

To: Emeryville.

Rate: \$1.35 per ton of 2,000 lbs. (Subject to Notes 1, 2, 3, 4 and 5).

Note 1: Subject to minimum of 2,000 tons per year.

Note 2: Subject to a minimum of 40,000 lbs. per shipment, except that not more than two shipments from any one particular vessel may be less than 40,000 lbs. per truck-load.

Note 3: Applies only when loaded and unloaded with fork lift or other similar mechanical loading device, loading to be performed by carrier and unloading to be performed by consignee.

Note 4: Charges shall be computed on the gross weight exclusive of the weight of the material used to form the unitized lot or the weight of the pallets.

Note 5: Shipping documents shall contain the name of the vessel from which unloaded.

End of Appendix A