

Decision No. 60445

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)	
into the rates, rules, regulations and)	
charges, allowances, and practices of)	
all common carriers, highway carriers)	
and city carriers, relating to the)	Case No. 5438
transportation of fresh or green fruits)	(Petition for
and vegetables and related items)	Modification No. 23)
(commodities for which rates are pro-)	
vided in Minimum Rate Tariff No. 8).)	

SUPPLEMENTAL OPINION AND ORDER

By this petition, filed June 24, 1960, California Trucking Associations, Inc., seeks the establishment, in Minimum Rate Tariff No. 8, of a minimum rate of 32 cents per 100 pounds, minimum weight 40,000 pounds, on potatoes in bulk from Guadalupe and vicinity to Shafter. The petition also seeks authority for common carriers to depart from the long-and-short-haul 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 carry out the proposed modification.

The petition states that subsequent to the establishment of commodity rates on potatoes in Minimum Rate Tariff No. 8, a volume movement has developed between the Guadalupe area and the Shafter area, which is subject to the distance commodity rates in the tariff. The petition further states that this movement involves innovations of bulk handling and permits maximum utilization of packing facilities at Shafter.

The petition further states that the harvest season will require the establishment of a reasonable minimum rate before August 15, and suggests that the proposed rate be subject to an expiration date of July 1, 1961, in order to provide an opportunity for future review of the situation following a harvest season experience.

Petitioner alleges that special rates should be established for this traffic in order to provide just, reasonable and nondiscriminatory rates, and that the proposed revision will result in no increase but may result in some reductions. The petition asserts that the proposed rate will be in the interest of both shippers and carriers, and is a matter which the Commission can consider from facts within its official knowledge or readily ascertainable by its staff.

The Commission's staff has made a study of the feasibility and desirability of the proposed rate. The staff study is hereby made a part of the record in this proceeding and identified as Exhibit No. 1.

The staff exhibit shows that in recent years the raising of potatoes in the Guadalupe area has grown in volume substantially. There are two harvests in the Guadalupe area, one from about August 1st and lasting about four weeks, and another commencing about October 1st and lasting about a month. These two harvests are subsequent to the harvests in the Shafter area, thereby extending usage of the Shafter facilities permitting greater economy for growers concerned. Much of the Guadalupe potato crop is used for seed in the San Joaquin Valley. After processing and sacking at Shafter much of the potato crop is put in cold storage at Shafter and other nearby points.

Transportation from the Guadalupe area to the Shafter area is performed with use of flat-bed motor vehicle equipment upon which are mounted bulk bins with hinged sides to permit gravity unloading. The bulk bins are rented by the carriers only as they are needed. When not engaged in hauling potatoes in bulk the bins are removed and the motor vehicle equipment is used for other types of transportation.

Recent highway improvement programs between the growing areas and Shafter have substantially reduced the running time for carriers. Grades and curves have been reduced, the roadway widened, and additional passing lanes provided where necessary. One-way loaded

travel time is about four to five hours, permitting a driver to make a complete round trip every day. A typical load, as evidenced by freight bills and attendant scale tickets, is 46,000 pounds.

Loading is performed in the field where shipper personnel place open sacks of potatoes on mechanical conveyors which elevate them to the bulk bins on the motor vehicles. Shipper personnel empty the sacks of potatoes into the bulk bins. Unloading is by gravity into pits, using equipment furnished by the consignee to provide the necessary vehicle tilt. Carrier experience shows that normal loading time is approximately one hour. There generally are no delays at the unloading point.

Because of the nature of the movement, directly from the field to the packing facilities, there are no claims for loss or spoilage.

Item No. 40-L of Minimum Rate Tariff No. 8 generally provides for an exemption of commodities destined to "Packing Shed or Packing Plant" located within 50 miles of point of origin. In this instance the distance varies from about 150 to 170 constructive miles.

The staff exhibit points out that in Item No. 335 of Minimum Rate Tariff No. 8 rates are published for transportation of potatoes in sacks or crates, minimum weight 40,000 pounds, from certain growing areas to various delivery zones. By the use of various rate comparisons and other data set forth in the exhibit, the staff rate expert has shown that the proposed rate would produce the same or higher net revenue after direct labor expense than would accrue on 40,000-pound shipments transported equivalent or even greater distances under rates in Item No. 335.

In the circumstances, it appears and the Commission finds, that the establishment of the proposed minimum rate in Minimum Rate Tariff No. 8 is reasonable, subject to certain qualifications necessary for clarity. A public hearing is not necessary. The petition will be granted.

Therefore, good cause appearing,

IT IS ORDERED:

(1) That Minimum Rate Tariff No. 8 (Appendix "C" to Decision No. 33977, as amended) is hereby further amended by incorporating therein, to become effective August 22, 1960, Sixth Revised Page 34, which revised page is attached hereto and by this reference made a part hereof.

(2) That tariff publications authorized to be made by common carriers as a result of the order herein may be filed not earlier than the effective date hereof, and may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of the minimum rate tariff page incorporated in this order.

(3) That common carriers are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code and Article XII, Section 21, of the Constitution of the State of California, to the extent necessary to carry out the effect of the order herein.

(4) That in all other respects said Decision No. 33977, as amended, shall remain in full force and effect.

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

Dated at San Francisco, California, this 26th day of July, 1960.

President
[Signature]

[Signature]

[Signature]

Theodore Jenner
Commissioners

Item No.	SECTION NO. 2 - POINT TO POINT COMMODITY RATES (In Cents per 100 Pounds)			
POTATOES (OTHER THAN SWEET POTATOES OR YAMS) AND ONIONS, Minimum Weight 40,000 Pounds (See Note 4)				
TO Delivery Zone (See Note 2)	Potatoes or Onions in 100-pound Sacks or Crates and 110-pound Crates		Potatoes or Onions in Sacks or Cartons, 50 Pounds or Less	
	FROM(See Note 1) Area A Area B		FROM(See Note 1) Area A Area B	
1	48	52	50	54
2	45	49	47	51
3(See Note 3)	35	33	37	35
4	48	45	50	47
<p>NOTE 1: Producing Areas are described as follows:</p> <p>(a) Area A includes all points within a radius of five miles of the town of Pixley, in Tulare County, and the points south thereof on U. S. Highway No. 99 to the Kern County line; also all points in Kern County lying north of State Highway No. 178.</p> <p>(b) Area B includes all of Kern County lying south of producing Area A; and the area bounded as follows: from the Kern County line southerly along U. S. Highway No. 99 to a point $\frac{1}{4}$ mile south of State Highway 138, easterly along an imaginary line $\frac{1}{4}$ mile south of State Highway 138 to U. S. Highway No. 6, northerly along U. S. Highway No. 6 to the Kern County line, westerly along the Kern County line to point of beginning.</p> <p>NOTE 2: Delivery Zones are as follows:</p> <p>(a) Zone 1 includes all of Alameda County and the San Francisco pickup and delivery zone as described in Item No. 272.</p> <p>(b) Zone 2 is the Sacramento Territory as described in Item No. 282.</p> <p>(c) Zone 3 is the Los Angeles Territory as described in Item No. 281.</p> <p>(d) Zone 4 is the San Diego Territory as described in Item No. 282.</p> <p>NOTE 3: See special Los Angeles Single Market Area described in Item No. 290.</p> <p>NOTE 4: If the charges accruing under the rates named in this item, applied on shipments from, to or between points intermediate between origin and destination points via Routes Nos. 8, 9, 10 and 11, shown in Item No. 500, are lower than charges accruing under the distance commodity rates in Items Nos. 300 and 301, on the same shipment via the same route such lower charges will apply.</p>				

335-B
Cancels
335-A

POTATOES, in bulk, loaded by the consignor and unloaded by gravity, Minimum Weight 40,000 pounds

	From	To	Rate
(1) #0336	Guadalupe and all points and places within ten air miles of the City of Guadalupe.	Shafter and all points and places within one air mile of the City of Shafter.	32

(1) Expires with July 1, 1961.

Addition)
o Reduction) Decision No. 60445

EFFECTIVE AUGUST 22, 1960.

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.

Correction No. 227