

Decision No. 61184

## 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 for Modification  
 No. 19)

C. E. Jacobson, for Grower-Shipper Vegetable  
 Association of Central California, petitioner.  
J. C. Kaspar, Arlo D. Poe and J. X. Quintrall,  
 for California Trucking Associations, Inc.;  
Ralph Hubbard, for California Farm Bureau  
 Federation, interested parties.  
M. J. Gagnon and John E. Nance, for the  
 Commission staff.

O P I N I O N

Grower-Shipper Vegetable Association of Central California is a nonprofit corporation whose members are growers and shippers of fresh vegetables grown in Monterey and Santa Cruz counties. By petition filed February 8, 1960, as amended April 15, 1960, it seeks the establishment by the Commission in Minimum Rate Tariff No. 8 of a blanket rate territory covering generally the Pajaro Valley and that part of Salinas Valley north of Gonzales, and the establishment of point to point rates for the transportation of fresh fruits and vegetables from said territory to Los Angeles at the same level as the rates provided in said minimum rate tariff for transportation from San Francisco Territory to Los Angeles.

Public hearing was held March 29, 1960, before Examiner Jack E. Thompson at Salinas. Petitioner was granted leave to file an amendment to its application and the matter was taken under submission at the time said amendment was filed. On June 14, 1960, the Commission ordered the setting aside submission of proceedings in the petition to permit the Commission's staff to present evidence.

Further hearing was held pursuant to that order on September 20, 1960, before Examiner Thompson at San Francisco. The matter is now ready for decision.

One of the principal crops of the Pajaro Valley and the Salinas Valley is lettuce. The point of origin of lettuce shipments to markets ordinarily is a precooling plant or "cooler". What coolers there are in the area under consideration are in Salinas and in Watsonville. Lettuce grown in the Salinas Valley as well as the Pajaro Valley is shipped from coolers in Watsonville. Lettuce grown in both valleys is often taken to coolers in Salinas. Shipments from Salinas to Los Angeles take a lower rate than shipments from Watsonville to Los Angeles. Salinas enjoys the lower point to point rate applicable to shipments from San Francisco Territory to Los Angeles because it is on U. S. Highway 101, an authorized route between San Francisco and Los Angeles. The following shows the constructive mileage and the rates for transportation to Los Angeles from Salinas, Castroville, Watsonville, and Gonzales.

TABLE I

COMPARISON OF RATES ON FRESH FRUITS AND VEGETABLES  
FROM POINTS SHOWN TO LOS ANGELES - RATES IN CENTS  
PER 100 POUNDS

From	Constructive Miles	Minimum Weight in Pounds			
		2,000	10,000	30,000	36,000
Watsonville	386.5	116	91	68	65
Castroville	374.0	112	88	66	62
Salinas (1)	-	109	86	63	59
Salinas (2)	364.5	112	88	66	62
Gonzales	347.5	109	86	63	59

- (1) Applicable rate. Salinas is intermediate between S. F. Territory and L. A. Territory.
- (2) Rates shown are for distance of 364.5 constructive miles. Not applicable because of lower S. F. to L. A. rates.

Watsonville is 10½ constructive miles from Prunedale, a point on U. S. Highway 101 on the authorized route between San Francisco Territory and Los Angeles Territory.

California Trucking Associations, Inc., opposed the granting of the petition contending that the rate relationship between Salinas and Watsonville is merely one of similar circumstances caused either by the intermediate application of point to point rates or because one point is at the longer distance within a rate mileage block and another is at the shorter distance within the next higher mileage block.<sup>1</sup> It reminded the Commission that proposals for the expansion of rate territories or the application of point to point rates to or from points off of, but adjacent to or near to, the authorized routes governing such rates almost uniformly have been denied by the Commission.<sup>2</sup>

We have said many times that there are many factors which must be considered in the determination of just and reasonable rates. No one factor is controlling or is necessarily dominant. We have denied proposals to expand the application of point to point rates to off route points less distant than to the points at which the rates apply, stating that if distance were to be taken as the sole guide and gradual extensions of the application of such rates were granted, eventually only the State boundaries would limit the application of the point to point rates; and where circumstances surrounding particular transportation would justify lower rates, relief should be accorded through the establishment of commodity rates.

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<sup>1</sup> For example, the charge for transportation of a 36,000-pound shipment of lettuce from a point 376 constructive miles distant from destination is \$10.80 higher than from a point over 350 but not over 375 miles from the destination.

<sup>2</sup> C. 4246, Inv. Min. Rates (1939) 41 CRC 671.  
C. 5432, Pet. 54 (1955) 54 Cal. P.U.C. 532.  
C. 5432, Pet. 76 (1957) 55 Cal. P.U.C. 420.

The instant petition does not seek an expansion of San Francisco Territory. It seeks the establishment of commodity rates for the transportation of fresh fruits and vegetables from all points within a described area in the Pajaro and Salinas Valleys to Los Angeles. The rates proposed are those maintained presently from Salinas. It is axiomatic that the application of a commodity rate should be strictly construed and should apply only to traffic moving in some volume. With that preface, let us look at the facts surrounding the transportation of fruits and vegetables from the area involved.

The following commodities are grown in some quantity both in the Pajaro Valley and in the Salinas Valley; lettuce, cabbage, brussel sprouts, carrots, cauliflower, celery, tomatoes, endive and romaine. While apples and berries are grown extensively in the Watsonville area, they are not grown to any significant amount in the Salinas area. Castroville is advertised as the artichoke center of the world; however, very few artichokes are grown or shipped in Salinas. Castroville's principal competition from nearby areas is from Santa Cruz.

In connection with the movement of lettuce, celery and the other commodities grown in both areas, the principal points of origin are packing sheds and coolers located in the City of Watsonville and west thereof on or in the vicinity of Beach Road, in the community of Pajaro and along San Juan Road to Aromas, along State Highway 1 from Pajaro to Castroville, along the Watsonville Highway between Castroville and Salinas, within the City of Salinas and its immediate vicinity and generally along U. S. Highway 101 south thereof.

In actual practice, the transportation of said commodities to Los Angeles is performed by carriers who transport shipments from both areas to Los Angeles and who also transport fruits and vegetables from Southern California points to San Francisco Bay Area markets. In this operation, a number of the motor carriers maintain a terminal

in the Salinas-Watsonville area and dispatch vehicles to pick up shipments in either the Watsonville area or the Salinas area. In the actual conduct of their operations, there is very little difference, overall, in the cost to the carriers regularly engaged in this service, in transporting a shipment from a cooler in Watsonville as compared to transportation from a cooler in Salinas.

Lettuce, which is the principal commodity grown in both areas is taken to coolers in Watsonville and Salinas without great regard for the point at which it was grown. Lettuce grown in the Salinas Valley may be taken to coolers in the Watsonville area and lettuce grown in the Pajaro Valley may be taken to Salinas. Shippers own or control lettuce grown in both valleys. They ship it to points throughout the United States, and, as a matter of fact, while there is a large volume of lettuce moving to Los Angeles markets, it is a small portion of the total amount grown in both valleys and shipped from the coolers in both areas.

All of the growers and shippers in the Watsonville-Salinas area are in competition with each other. The Los Angeles market is a valuable market to the growers and shippers. A difference in freight rates, no matter how small, can prevent a shipper from marketing his produce.

The evidence shows that in the growing of produce, the Salinas and Watsonville areas are considered by agriculture, commercial markets, business institutions and transportation companies to comprise a single growing area. The proposed rate for shipments subject to a minimum weight of 36,000 pounds is not lower than the cost estimated by the Commission's staff for the transportation of heavy loading commodities to the Los Angeles markets from points no greater than 390 constructive miles therefrom. Lettuce, tomatoes, cabbage, carrots and celery are commodities that will load 36,000 pounds or more in regular highway carrier equipment.

Upon consideration of all of the facts and circumstances, we are of the opinion and find that a rate of 59 cents per 100 pounds, minimum weight 36,000 pounds, is the just, reasonable and nondiscriminatory minimum rate for the transportation of lettuce, cabbage, tomatoes, carrots and celery to Los Angeles from coolers, precooling plants, or packing sheds located in the area included generally within the Cities of Watsonville and Salinas and within one mile of the following roads and highways: Beach Road to the west of Watsonville, State Highway 1 from Watsonville to Castroville, Watsonville Highway from Castroville to Salinas, San Juan Road from State Highway 1 near Watsonville to U. S. Highway 101 near Prunedale, including the town of Aromas.

While cauliflower, brussel sprouts, endive and romaine are grown both in Pajaro Valley and Salinas Valley, more than one unit of standard type motor vehicle equipment is required to transport 36,000 pounds or more of those commodities. We find that, other than the commodity rate which will be established herein, the proposed rates have not been shown to be reasonable.

#### 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:

1. That Minimum Rate Tariff No. 8 (Appendix "C" to Decision No. 33977, as amended) is further amended by incorporating therein, to become effective January 28, 1961, the revised pages attached hereto, and by this reference made a part hereof, which pages are numbered as follows: Original Page 26-D, Tenth Revised Page 33, and Second Revised Page 44-A.

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 January 28, 1961.

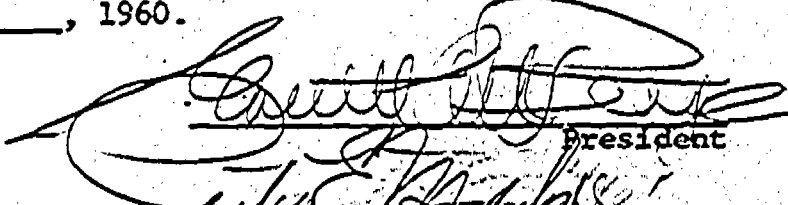
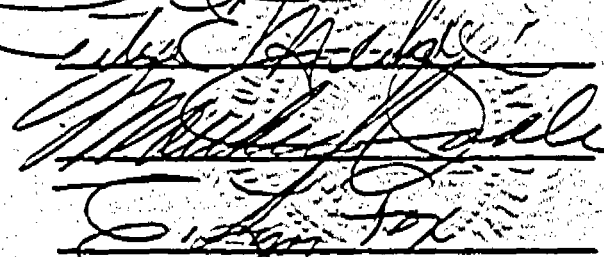
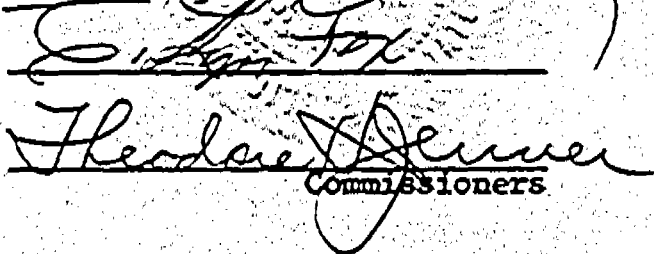
3. That common carriers are authorized to depart from the provisions of Section 460 of the Public Utilities Code and of Article XII, Section 21 of the Constitution of the State of California, to the extent necessary to exercise the authority granted hereinabove.

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

5. That, except as herein provided, the petition of Grower-Shipper Vegetable Association of Central California is denied.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of DECEMBER, 1960.

  
President  
  
  
Commissioners

Item No.	SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL APPLICATION (Continued)
#284	<p style="text-align: center;">TERRITORIAL DESCRIPTIONS (Concluded) (Items Nos. 280 through 284)</p> <p>12. WATSONVILLE TERRITORY includes all points within the following boundaries: Beginning at the point where Salsipuedes Creek enters into the Pajaro River; northerly along said creek to Riverside Road; easterly along Riverside Road to College Road (Lakeview Road); northerly and westerly along College Road to East Lake Avenue; southerly along East Lake Avenue to Martinelli Street; westerly along Martinelli Street and its continuation along Oak Street to Freedom Blvd.; southerly along Freedom Blvd. and Main Street to Ford Street; westerly and southerly along Ford Street to Harkins Slough Road; westerly along Harkins Slough Road to Lee Road; southerly along Lee Road and Judd Road to First Street; westerly on First Street and its prolongation to the Pajaro River; southerly and easterly along the Pajaro River to point of beginning.</p>
	<p>#Addition, Decision No. 61184</p>
	<p style="text-align: right;">EFFECTIVE JANUARY 28, 1961</p>
	<p>Issued by the Public Utilities Commission of the State of California, San Francisco, California.</p> <p>Correction No. 250</p>



Item No.	SECTION NO. 2 - POINT TO POINT COMMODITY RATES (In Cents per 100 Pounds)									
(1) 320-H Cancels 320-G	FRUITS AND VEGETABLES, INCLUDING MUSHROOMS, as described in Item No. 40									
	BETWEEN	AND	MINIMUM WEIGHT							
			Any Quan- tity	2,000 Pounds	4,000 Pounds	10,000 Pounds	18,000 Pounds	24,000 Pounds	(2) 30,000 Pounds	(2) 36,000 Pounds
	LOS ANGEL- ES TERRI- TORY, as described in Item No. 281.	SAN FRAN- CISCO TERRI- TORY, as described in Item No. 283.	138	109	98	86	70	66	63	59
		SACRA- MENTO TERRI- TORY, as de- scribed in Item No. 282.								
(1) 330-G Cancels 330-F	EMPTY CONTAINERS, as described in Item No. 40.									
	BETWEEN	AND	MINIMUM WEIGHT							
			Any Quan- tity	2,000 Pounds	4,000 Pounds	10,000 Pounds				
	LOS ANGEL- ES TERRI- TORY, as described in Item No. 281.	SAN FRAN- CISCO TERRI- TORY, as described in Item No. 283.	91	89	58	44				
		SACRA- MENTO TERRI- TORY, as de- scribed in Item No. 282.								

VEGETABLES, VIZ.:

Cabbage, Carrots, Celery, Lettuce, Tomatoes,  
Minimum Weight 36,000 pounds. (See Notes 1 and 2)

	From	To	Rate
#6333	Watsonville Territory, as described in Item No. 284.	Los Angeles Territory, as described in Item No. 281.	59

NOTE 1.-If the charges accruing under the rate in this item, applied on shipments from or to points intermediate between origin and destination territories shown in this item via Routes Nos. 19 and 20, shown in Item No. 500-1, 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.  
NOTE 2.-Rate named in this item applies only on shipments from coolers, processing plants and packing sheds.

- (1) If the charges accruing under the rates in this item, applied on shipments from, to and between points intermediate between origin and destination territories shown in this item via route shown in Item No. 500, are lower than charges accruing under the Distance Commodity Rates in Items Nos. 300, 301, 306, 310 or 311 on the same shipment via the same route, such lower charges will apply.
- (2) Rates subject to minimum weights of 30,000 pounds or over do not apply to transportation of the following commodities: - Berries, Leeks, Mushrooms, Onions (green), Oyster Plant (Salsify), Parsley, Parsnips with tops, Prickly Pears, Spinach (loose).

# Addition ) Decision No. 61184  
b Reduction )

EFFECTIVE JANUARY 28, 1961

Issued by the Public Utilities Commission of the State of California,  
San Francisco, California.  
Correction No. 251

Item No.	SECTION NO. 4 - ROUTING (Concluded)
*500-1-B Cancels 500-1-A	(2)Route No. 12: From Production Area "A" (Perris Area) via Highway U.S. 60 to Los Angeles Territory.
	(2)Route No. 13: From Production Area "B" (San Jacinto Area) via State Route 74 to its intersection with Highway U.S. 395 near Romoland; thence via Highway U.S. 395 to its intersection with Highway U.S. 60 near Box Springs; thence via Highway U.S. 60 to Los Angeles Territory; or via State Route 79 to its intersection with Highway U.S. 60; thence via Highway U.S. 60 to Los Angeles Territory.
	(2)Route No. 14: From Production Areas "A" and "B" south from State Route 74 along unnumbered highway through Winchester to Highway U.S. 395, thence via:
	1. Highway U.S. 395 to San Diego Territory.
	2. Highway U.S. 395 to unnumbered highway located on the north side of San Luis Rey River approximately 12 miles south of Temecula; thence via said unnumbered highway to its intersection with Highway U.S. 101 near Oceanside; thence via Highway U.S. 101 to San Diego Territory.
	(3)Route No. 15: From Delta Producing Area via State Route 12 to its junction with Highways U.S. 50-99, thence via said highways to Stockton or via State Route 4 to Stockton, thence via Highway U.S. 50 to San Francisco-Oakland.
	(3)Route No. 16: From Delta Producing Area via State Route 4 to Stockton or State Route 12 to its junction with Highways U.S. 50-99, thence via said highways to Sacramento.
	(3)Route No. 17: From Delta Producing Area via State Route 12 to its junction with Highways U.S. 50-99, thence via said highways to Stockton or via State Route 4 to Stockton, thence Highway U.S. 50 to its junction with State Route 21, east of Livermore, thence via said highway to its junction with State Highway 9, north of Mission San Jose, thence via said highway to its junction with State Route 17, adjacent to Warm Springs, thence via said highway to San Jose.
	(3)Route No. 18: From Delta Producing Area via State Route 4 to Stockton, thence Highways U.S. 50-99 to their junctions with State Route 12, thence via said highway to its junction with Highway U.S. 40, adjacent to Suisun-Fairfield, thence via said highway to Vallejo.

#(4) Route No. 19: From Watsonville Territory, as described in Item No. 284, via Main Street and San Juan Road to its junction with Highway U.S. 101, thence via highways named in Route 6 beyond to Los Angeles Territory, as described in Item No. 281.

#(4) Route No. 20: From Watsonville Territory, as described in Item No. 284, via State Highway No. 1 and Watsonville Highway to Salinas, thence via Highway U.S. 101 and highways named in Route 6 beyond to Los Angeles Territory, as described in Item No. 281.

(2) Applies only in connection with rates named in Item No. 340.

(3) Applies only in connection with rates named in Item No. 345.

(4) Applies only in connection with rates named in Item No. 333.

\* Change ) Decision No. 61184  
# Addition)

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