

63235

**ORIGINAL**

Decision No. \_\_\_\_\_

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 KARLSON BROS. TRANSPORTATION SYSTEM, )  
 a corporation, for authority under )  
 Section 3666 of the Public Utilities )  
 Code to assess and collect transpor- )  
 tation charges based on units of )  
 measurement and rates different from )  
 and in some instances lower than the )  
 minimum rates heretofore established )  
 by the Commission. }

Application No. 43930  
 (Filed December 1, 1961)  
 (Amended January 13, 1962)

Willard S. Johnson, for applicant.  
R. D. Toll, J. X. Quintrall and A. D. Poe, for  
 California Trucking Associations, Inc.,  
 interested party.  
A. R. Day and H. E. Frank, for the Commission staff.

O P I N I O N

This application was heard January 22, 1962 before  
 Examiner J. E. Thompson at San Francisco on which date it was  
 submitted.

Karlson Bros. Transportation System, a corporation, is  
 a highway contract carrier. It seeks authority to charge rates  
 different from the minimum rates established by the Commission for  
 the transportation of tomato plants, in crates, having a declared  
 value of \$5.00 per 100 pounds, from Mecca to points in central  
 California for I.K.I. Farms. I.K.I. Farms is a copartnership  
 engaged in the culture, growth, distribution and sale of tomato  
 plants. The consignees of shipments would include farmers,  
 distributors who sell to farmers, and canners. Most of the  
 destination points are located on or near U. S. Highway 99 from  
 Merced on the south to Chico and Woodland on the north, and on or

near U. S. Highway 101 from Santa Maria on the south to San Jose on the north. Many of the destination points are not on or near those highways; however, all points are in the valley areas within the general territory described above. Applicant proposes to charge 55 cents per cantaloupe crate and 70 cents per lettuce crate for the transportation from Mecca to all points in the territory. The rate would be subject to a minimum quantity per shipment of 20,000 pounds calculated at 40 pounds per cantaloupe crate and 70 pounds per lettuce crate subject to the exception that, for not more than ten shipments per season, quantities less than 20,000 pounds would be subject to a minimum charge of \$150 per shipment. It is also proposed to charge a rate of ten cents per empty crate returning to Mecca subject to a minimum weight of 12,000 pounds calculated at 6 pounds per empty crate.

No one opposed the granting of the authority sought. Evidence was offered in the form of testimony and exhibits presented by applicant's secretary and by a certified public accountant engaged by applicant to prepare a cost analysis of the proposed operation.

From the evidence we find the following facts:

1. The season for the shipping of tomato plants has a duration of approximately 8 weeks which occurs, depending upon weather and growing conditions, from March 1 to June 10. By reason of the nature of the growth of tomato plants some of the plants develop earlier than others so that at the very beginning and at the very end of the season there are plants that must be shipped but not in sufficient quantity to comprise 20,000 pounds. Such shipments have not exceeded ten in number per season. During

the 1961 season I.K.I. Farms made 313 shipments aggregating approximately 150,000 crates between the points here involved. Only five of those shipments were less than 20,000 pounds and they weighed 15,000 pounds or over. During the 1961 season 98.3 percent of the shipments were in lettuce crates. Tomato plants in lettuce crates weigh approximately 70 pounds per crate, and said commodity in cantaloupe crates weigh approximately 40 pounds per crate. Had applicant transported the traffic during the 1961 season at the proposed rates it would have received revenues for the transportation of the plants in the amount of \$104,654. If those same shipments moved under the minimum rates in effect today the revenue would have amounted to approximately \$92,152. The aggregate tonnage in 1961 to each point of destination would have provided greater revenues under the proposed rates than under the present minimum rates. Only in a few instances, because of the weight of the shipments, were there cases where the charge at the minimum rates would exceed the charge at the proposed rate. During the 1961 season only about half of the crates were returned to Mecca. The weight of an empty cantaloupe crate is five pounds and of an empty lettuce crate, six pounds. On the basis of six pounds per empty crate, the proposed rate of ten cents per crate exceeds the minimum rate, the equivalent of the latter ranging from 3.3 cents per crate to 6.1 cents per crate.

2. Transportation of the commodities under the proposed rates will be advantageous to both the carrier and the shipper. The carrier has equipment which will not be committed for transportation for other shippers with whom applicant has contracts and which will be available during the tomato plant season. The transportation

should provide applicant with additional revenue amounting to \$112,154 at an out-of-pocket cost of \$109,902. An estimated amount of \$2,252 would therefore be available to applicant to help defray fixed expenses or to provide an additional profit.

3. The proposed rates are reasonable and the authority sought should be granted.

In order to define more clearly the area included by the points of destination, the area of central California referred to in the application will be described in the following order in terms of the counties comprising the same. In order to provide the authority during the coming season, the order will be made effective March 1, 1962.

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:

1. Karlson Bros. Transportation System is authorized to transport tomato plants, in crates, with a declared valuation of \$5.00 per 100 pounds, and empty crates returning, for I.K.I. Farms, at the rates set forth in Appendix A, attached hereto, and by this reference made a part hereof.

2. The authority granted herein shall expire July 30, 1962.

The effective date of this order shall be March 1, 1962.

Dated at San Francisco, California, this 16th  
day of FEBRUARY, 1962.

W. H. Ragsdale  
President

George D. Hoover  
Fredrick B. Halachoff  
Commissioners

APPENDIX A TO DECISION NO. \_\_\_\_\_

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KARLSON BROS. TRANSPORTATION SYSTEM

Schedule of Minimum Rates  
for the Transportation of  
Tomato Plants for I.K.I. Farms

Item 10. Application of Rates - Commodity.

Rates shall apply to the transportation of tomato plants, in lettuce crates or in cantaloupe crates, with a declared valuation of \$5.00 per 100 pounds; and to empty cantaloupe crates and lettuce crates returning, or for return loaded movement of tomato plants.

Item 20. Application of Rates - Territory.

Rates shall apply to the transportation of tomato plants as described in Item 10 from Mecca to points in central California (See Note 1) and to the transportation of empty crates as described in Item 10 from points in central California (See Note 1) to Mecca.

Note 1. Points in central California include all points in the Counties of San Luis Obispo, Monterey, Santa Cruz, San Benito, Santa Clara, San Mateo, Alameda, Contra Costa, San Joaquin, Yolo, Sacramento, Sutter, Yuba, Butte, Stanislaus, and Merced; and points in the Santa Maria Valley in Santa Barbara County.

Item 30. Application of Rates - General.

Rates include the service of transportation, including split delivery service.

Item 40. Rates on Tomato Plants as described in Item 10.

From: Mecca

To: Points in central California (See Item 20)

(1)

Tomato Plants:

Rates in Cents Per Crate

Per Cantaloupe Crate	55
Per Lettuce Crate	70

(1) Subject to minimum quantity of 20,000 pounds calculated at 40 pounds per cantaloupe crate and 70 pounds per lettuce crate. Exception: On not to exceed ten shipments per season shipments may be less than 20,000 pounds but shall be subject to a minimum charge per shipment of \$150.00.

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Item 50. Rates on Empty Crates.

From: Points in central California (See Item 20)  
To: Mecca

	<u>Rates in Cents Per Crate</u> (1)
Empty crates returning from an outbound paying load or shipped for a return paying load.	10

(1) Subject to minimum weight of 12,000  
pounds or 2,000 empty crates.

Item 60. Payments of Charges.

Charges on all shipments transported under rates  
in Items 40 and 50 shall be paid by I.X.I. Farms.

End of Appendix A