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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
R. C. Ellis, Agent, for permission)	
to cancel commodity rates applicable)	
on Butter, Cheese, Margarine, Eggs)	Application No. 44588
and Ice Cream Mix published in R.C.)	(Filed June 25, 1962)
Ellis, Agent, Local & Joint Tariff)	
14A, Cal-P.U.C. No. 1, (James C.)	
Coughlin, agent series))	

OPINION AND ORDER

By this application, R.C. Ellis, Agent, seeks authority under Section 454 of the Public Utilities Code to cancel, on five days' notice, certain commodity rates currently published on behalf of California Motor Transport Co. (C.M.T.) and California Motor Express, Ltd. (C.M.E.).¹

The rates herein involved apply for the transportation of eggs, butter, margarine, cheese and ice cream mix between specified points in California. These are commodities for which temperature control is generally required. Applicant states that, prior to the recent acquisition of the operative right of J. Christenson Co. by C.M.T., the operating authorities of C.M.T. and C.M.E. permitted only restricted handling of refrigerated traffic. Consequently, the amount of such traffic was negligible and the levels of rates published thereon in Tariff No. 14-A were of little concern or importance. With acquisition of J. Christenson Co., however, the traffic volume is expected to be substantial. J. Christenson Co. specialized in the transportation of commodities requiring temperature control, including those involved herein.

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The rates are published in Items 2548, 2565, 2566, 2567, 2568 of R.C. Ellis Agent, Local and Joint Freight and Express Tariff No. 14-A, Cal-P.U.C. No. 1 (series of James C. Coughlin, Agent).

Applicant asserts that the rates proposed to be canceled do not cover the out-of-pocket costs of handling and transporting the traffic. They reflect rates established some twenty years ago which have not been increased over the years commensurate with the increases found to be justified and required on commodities subject to the minimum rate orders of the Commission. The rates proposed to be assessed are those which were maintained by the predecessor, J. Christenson Co. These rates have been adopted by California Motor Transport Co., effective June 12, 1962, pursuant to its acquisition of the operative rights of J. Christenson Co. by authority of Decisions Nos. 63418 and 63730 in Application No. 44193, and are published in Local and Joint Freight Tariff No. 1-B, Cal.P.U.C. No. 6 (series of J. Christenson Co.). Assertedly, these rates bear a closer relationship to the costs of handling the traffic than do the rates published in Tariff No. 14-A of R. C. Ellis, Agent. Applicant alleges that the rates and charges proposed to be observed will be just and reasonable in all respects.

The application shows that prior to the filing of this application the rate proposal was discussed by applicant with responsible representatives of the California Farm Bureau Federation, Foremost Dairies, Inc., Best Foods, Carnation Co., Durkee Famous Foods, Kraft Foods Co., Standard Brands, Inc. and others. The application shows that, on or about June 25, 1962, a copy thereof was served by mail upon each of these parties, including the California Trucking Associations, Inc. The Commission has received written replies from several of the shippers affected. All of these shippers support the proposal, and one states that it favors the granting of such authority on an ex parte basis. No objection to the proposed rate cancellations has been received.

In the circumstances, it appears, and the Commission finds that cancellation of the rates as proposed by applicant on less than statutory notice, and the resulting increased rates which will apply after said cancellation, are justified. A public hearing is not necessary. The application will be granted.

Good cause appearing,

IT IS ORDERED that:

1. R.C. Ellis is hereby authorized to cancel, on behalf of California Motor Transport Co. and California Motor Express, Ltd., commodity rates currently named in Items 2548, 2565, 2566, 2567 and 2568 of R.C. Ellis, Agent, Local and Joint Freight and Express Tariff No. 14-A, Cal.P.U.C. No. 1 (series of James C. Coughlin, Agent).

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 4th day of September, 1962.

George A. Hoover
President

Conrad C. DeLoach

Frederic B. Hallock

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.