

ORIGINAL

66629

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 continue to assess and collect) Application No. 46030
 transportation charges based on units) (Filed December 11, 1963)
 of measurement and rates different)
 from and in some instances lower than)
 the minimum rates heretofore estab-)
 lished by the Commission.)

OPINION AND ORDER

Karlson Bros. Transportation System, a corporation, holds highway contract carrier and city carrier permits and a certificate of public convenience and necessity to operate as a highway common carrier.¹ By Decision No. 64790 dated January 15, 1963, in Application No. 44959, it was authorized as a highway contract carrier to deviate from the minimum rates by charging specified rates in cents per crate for the transportation of tomato plants for I.K.I. Farms from Mecca to points in central California.² The authority was granted only for the 1963 tomato plant season.

By this application, authority is sought to continue to assess and collect rates on the same units of measurement, but at a higher level than previously authorized, during the 1964 tomato

¹ The certificate of public convenience and necessity does not govern service between points herein involved.

2. The destination points 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.

plant season. According to the application, the season may commence as early as February 15 and extend as late as June 30, depending on weather and other factors.

As justification for the sought authority, applicant states that the shipper, I.K.I. Farms, produces and distributes in excess of 100,000 crates of tomato plants each season which move within a period of approximately eight weeks; that the shipper is desirous of continuing to use for-hire carriage under contract with applicant; that, for accounting and sales reasons, the shipper desires to continue to pay transportation charges for the tomato plant season based on a system of flat rates per crate rather than upon a system of varying rates in cents per 100 pounds. Applicant states that it has the equipment, facilities and personnel with which to perform the service, inasmuch as its equipment, facilities and personnel are not otherwise utilized beyond fifty percent of capacity during the tomato plant season. Applicant further alleges that the proposed rates and charges will produce more revenue for applicant than would accrue under varying rates in cents per 100 pounds at the level of the applicable minimum rates, and will result in an operating profit to applicant; that the shipper is in a position to perform its own transportation if necessary; and that the proposed rates will be reasonable for the service rendered.

Applicant also states that it has experienced increases in operating costs and to compensate for such increases, it proposes rates for the 1964 tomato plant season which are approximately five percent higher than those which were authorized and assessed for the 1963 season. Such increased rates, it asserts, will yield approximately \$5,000 more revenue on the same volume of traffic as during the 1963 season as shown on the financial statements attached to the application.

The application shows that a copy thereof was served upon the shipper and California Trucking Association on or about November 11, 1963. No objection to its being granted has been received.

In the circumstances, it appears, and the Commission finds, that the proposed rates are reasonable. A public hearing is not necessary. The application will be granted.

Good cause appearing,

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 rates different from the minimum rates but not less than the rates set forth in Appendix A attached hereto and by this reference made a part hereof.

2. The authority herein granted shall expire with July 30, 1964.

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

Dated at San Francisco, California, this 14th day of January, 1964.

William C. Bennett
President
W. E. Fitch
W. E. Fitch
George H. Hoover
Fredrick B. Helloff
Commissioners

APPENDIX A TO DECISION NO. 66629

(Page 1 of 2)

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)

Rates in Cents Per Crate

Tomato Plants:	
Per Cantaloupe Crate	58½
Per Lettuce Crate	74

(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.

APPENDIX A TO DECISION NO. 66629

(Page 2 of 2)

Item 50. Rates on Empty Crates

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

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

Item 60. Payments of Charges

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

End of Appendix A