

ORIGINAL

Decision No. 67468

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. 45)
(Filed June 17, 1964)

OPINION AND ORDER

Arthur R. Altnow, doing business as Lodi Truck Service, holds radial highway common, highway contract and city carrier permits and highway common carrier and petroleum irregular route carrier certificates.¹ By this petition, he seeks to have established in Minimum Rate Tariff No. 8 rates and charges for the transportation of empty railroad-owned trailers from railheads to origin points of shipments and loaded railroad-owned trailers of fresh fruits, vegetables, including mushrooms, and nuts from such origin points to railheads for subsequent movement in interstate or foreign commerce on railroad-owned flat cars.² These rates and charges are for distances of 50 miles or less and apply between points in various counties.³ Petitioner also seeks to publish

¹The highway common carrier certificate authorizes the transportation of general commodities between San Francisco Territory, Sacramento Territory and Los Angeles Territory and intermediate and off-route points subject to certain restrictions. The petroleum irregular route carrier operations are not involved in this proceeding.

²Section 203(b)(6) of the Interstate Commerce Act, among other things, exempts from rate regulation by the Interstate Commerce Commission the transportation of agricultural commodities by motor vehicles if such motor vehicles are not used in carrying any other property for compensation.

³The counties are Alameda, Butte, Colusa, Contra Costa, El Dorado, Lake, Merced, Napa, Sacramento, San Joaquin, Santa Clara, Santa Cruz, Solano, Stanislaus, Sutter, Yolo and Yuba.

the aforementioned rates and charges in his Local Freight Tariff No. 1, Cal. P.U.C. No. 1.

Petitioner states that a substantial and regular volume of trailers will be moved between each loading point and railhead and, except for the initial movement to the loading point, a loaded trailer should always be ready to be picked up when an empty trailer is delivered. Petitioner further states that, to the best of his knowledge, no other for-hire motor carrier in California is rendering a service similar to that proposed herein.

Petitioner alleges that the transportation of fresh fruits, vegetables and nuts from California to interstate points on railroad-owned trailers in piggyback service is an innovation which has existed only three or four years. This service has received wide public approbation and has been expanding as additional equipment becomes available. Formerly, shipments were primarily moved from packing plant or shed in California to interstate points by unregulated or exempt motor carriers.

Petitioner asserts that, in performing pickup and delivery service for rail carriers last year, he transported a large volume of railroad-owned trailers from packing and storage plants and sheds to railheads by agreement with the railroads. Due to steadily increasing demands for extension of such service from points outside the rail terminal areas, he hauled a limited number of shipments from such points to railheads under the rates named in Minimum Rate Tariff No. 8. Such service proved to be economically infeasible and was discontinued. This latter operation involved substantial and regular movements from packing plants or sheds to railheads without waiting, standby, loading or unloading delays as are expected in usual transportation services for which rates are provided in Minimum Rate Tariff No. 8. Petitioner further asserts that such rates are unsuited for the transportation involved and preclude

participation by for-hire carriers in such transportation. It is alleged that the transportation involved herein will be performed by shippers until rates are established that will reflect the cost of such service.

Attached to the petition as Exhibit "C" is a study based on the current cost to petitioner of providing a service similar to that proposed herein at various points in the Sacramento-San Joaquin Valley area including over 200 such movements in the Lodi area during 1963. Petitioner avers that this study shows that a reasonable profit can be realized under the proposed rates.

The certificate of service shows that a copy of the petition was mailed to California Farm Bureau Federation, California Grape & Tree Fruit League and California Trucking Association on June 16, 1964. No objection to the granting of the petition has been received.

In the circumstances, it appears, and the Commission finds, that petitioner's proposal is reasonable and that the resulting minimum rates and charges will be just, reasonable and nondiscriminatory minimum rates and charges for the transportation involved herein. The order which follows will incorporate the proposed rates and charges in Minimum Rate Tariff No. 8 and will authorize common carriers to depart from the long- and short-haul provisions of the Public Utilities Code. In view of the fact that the harvest season for certain agricultural commodities has commenced, the order will also authorize common carriers to publish such rates and charges on three days' notice to the Commission and the public. A public hearing is not necessary. The petition will be granted.

IT IS ORDERED that:

1. Minimum Rate Tariff No. 8 (Appendix "C" to Decision No. 33977, as amended) is hereby further amended by incorporating therein, to become effective August 8, 1964, Fifth Revised Page 7

and Original Page 30-D, attached hereto and by this reference made a part hereof.

2. Tariff publications authorized to be made by common carriers as a result of the order herein may be made effective not earlier than the third day after the effective date of this order, and may be made effective on not less than three 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 pages incorporated in this order.

3. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

4. 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 30th day of June, 1964.

President
George E. [Signature]

George E. [Signature]

Fredrick B. Holdhoff
Commissioners

-4- Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Cancels

Item
No.SECTION NO. 1 - RULES AND REGULATIONS OF GENERAL
APPLICATION (Continued)APPLICATION OF TARIFF - COMMODITIES
(Items Nos. 40 and 41)

Rates in this tariff apply to transportation of the following commodities (See Exception):

Fruits, fresh or green, in their natural form, including dates, fresh (not cold pack nor frozen), subject to Note 2(h);

Mushrooms, fresh (not cold pack nor frozen);

Nuts, in the shell;

Nuts, field shelled, subject to Note 2(g);

Vegetables, fresh or green, in their natural form, including mushrooms, fresh (not cold pack nor frozen), subject to Note 2(h);

Containers, empty, second-hand, returning from an outbound paying load, of commodities for which rates are provided herein or forwarded for a return paying load, of commodities for which rates are provided in this tariff, subject to Note 1;

Containers, empty, for which rates are provided in Section No. 4 of this tariff;

*Trailers, railroad-owned, for which rates are provided in Item No. 309 of this tariff

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NOTE 1.-highway carriers must determine before accepting shipment that said containers were moved filled and are being returned by the same carrier or carriers to consignor of the filled containers; or that containers shipped for return paying load will, when filled, move by the same carrier or carriers to the consignor of the original empty containers.

EXCEPTION.-Rates in this tariff do not apply to transportation of:

(a) Fresh or green fruits, nuts (in the shell or field shelled), fresh or green vegetables, or mushrooms, as described herein, when the point of destination of the shipment is a cannery, accumulation station, precooling plant, or winery; nor to the empty containers used or shipped out for use in connection with such transportation, subject to Note 2.

(aa) Fresh or green fruits, fresh or green vegetables, or mushrooms, as described herein, moving to a cold storage plant to be held for interim storage for a subsequent movement to a cannery, subject to Notes 2 and 4.

(b) Fresh or green fruits, nuts (in the shell or field shelled), fresh or green vegetables, or mushrooms, as described herein, when transported from the field or point of growth to a packing plant, cold storage plant, or a packing shed, nor when transported between packing sheds, subject to Notes 2, 3 and 5.

(bb) Empty containers used or shipped out for use in connection with transportation described in paragraph (b) above, subject to Notes 2 and 3.

(c) Citrus fruits when the point of destination of the shipment is within the Los Angeles Drayage Area, as described in Minimum Rate Tariff No. 5; nor to the empty containers used or shipped out for use in connection with such transportation.

(d) Sugar beets when the point of destination of the shipment is a beet sugar factory or a railroad loading dump.

(e) Property of the United States, or property transported under an agreement whereby the United States contracted for the carrier's services.

(Continued in Item No. 41)

Ø Change } Decision No. 67468
* Addition }

EFFECTIVE AUGUST 8, 1964.

Issued by the Public Utilities Commission of the State of California,
San Francisco, California.
Correction No. 381

Item No.	SECTION NO. 2 - DISTANCE COMMODITY RATES		
	FRUITS, NUTS AND VEGETABLES, INCLUDING MUSHROOMS, AND TRAILERS, RAILROAD-OWNED, as described in Item No. 40. (See Notes 4, 5, 6, 7 and 8.)		
	MILES (See Note 1) Over But Not Over	Rates in Cents Per 100 Pounds (See Note 2) Minimum Weight 36,000 Pounds	Charge Per Trip (See Note 3)
	0 10 10 20 20 30 30 40 40 50	5 7 9½ 12½ 16	\$ 10.50 19.00 27.50 36.00 44.75
*309	<p>NOTE 1.--Distances between railheads and points of origin of shipments.</p> <p>NOTE 2.--Rates apply only for: (a) Round-trip movements of empty railroad-owned trailers from railheads to origin points of shipments and loaded railroad-owned trailers from such origin points to railheads for subsequent movement in interstate or foreign commerce on railroad-owned flat cars. The one-way distance between railhead and point of origin of shipment shall govern the rate for such round-trip transportation. (b) Transportation of loaded railroad-owned trailers from origin points to railheads for subsequent movement in interstate or foreign commerce on railroad-owned flat cars.</p> <p>NOTE 3.--Charges apply only for transportation of empty railroad-owned trailers from railheads to points of origin of shipments for loading.</p> <p>NOTE 4.--Rates and charges apply when motor carrier furnishes power equipment only.</p> <p>NOTE 5.--Rates and charges in this item do not include loading or unloading by carrier's employee.</p> <p>NOTE 6.--Rates in this item do not alternate with other rates provided by this tariff.</p> <p>NOTE 7.--For delay at place of pickup and/or delivery which exceeds ½ hour, an additional charge will be assessed at a rate of \$6.50 per hour or fraction thereof subject to a minimum charge of \$6.50.</p>		

NOTE 8.-Transportation under this item will be restricted to movements between points in the following counties: Alameda, Butte, Colusa, Contra Costa, El Dorado, Lake, Merced, Napa, Sacramento, San Joaquin, Santa Clara, Santa Cruz, Solano, Stanislaus, Sutter, Yolo, Yuba.

*Addition, Decision No. 67468

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Correction No. 382