

Decision No. 69414

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SPECIAL SERVICE TRANSPORTATION)
CORPORATION, LTD., for authority)
to extend an existing authority)
to depart from the rates, rules)
and regulations of Minimum Rate)
Tariff No. 2, under the provi-)
sions of Section 3666 of the)
Public Utilities Code.)

Application No. 47663
(Filed June 11, 1965)

OPINION AND ORDER

Applicant operates as a permitted carrier and as a certified carrier. By Decision No. 68235, dated November 17, 1964, in Application No. 46990, it was authorized as a highway contract carrier to transport groceries, sugar and other articles for Certified Grocers of California under specified conditions at rates which are less than the established minimum rates. The authority is scheduled to expire with November 20, 1965.

By this application, applicant seeks amendment of the existing authority by establishing (1) a schedule of class rates 9 percent lower than the currently authorized rates for the transportation of groceries and related articles from San Fernando to points in San Luis Obispo and Santa Barbara Counties; and (2) rates based on 80 percent of the minimum rates otherwise applicable for the transportation of sugar, canned goods, animal feed and foodstuffs from Crockett and points in San Francisco Territory to San Fernando and Los Angeles. Applicant also requests that the proposed rates be made effective July 1, 1965.

Applicant states that for the past several years the Commission has authorized it to assess less-than-minimum rates for the transportation of groceries and related articles northbound for Certified Grocers of California from the shipper's warehouse in San Fernando to member stores in Santa Barbara and San Luis Obispo Counties and sugar southbound from Crockett to said shipper's warehouses in San Fernando and Los Angeles. The authorized rates apply only on the condition that, for each haul of groceries northbound, there shall be a haul of sugar southbound.

Applicant alleges that the transportation conditions have changed measurably since the authority was extended by Decision No. 68235, supra. According to applicant, transportation performed under this authority has resulted in an excessive profit, reflected by an operating ratio of 86 mainly due to the increased efficiency of its operations and an increase in northbound traffic without a corresponding increase in the southbound movement of sugar. This imbalance between the northbound and southbound movements herein involved requires that applicant assess the shipper the full minimum rate on a disproportionately large segment of the total traffic handled.

Applicant avers that the aforementioned imbalance of traffic and the resultant higher rates applicable southbound has created a condition wherein the shipper, which owns and operates a substantial fleet of motor truck equipment for local movements of its merchandise, has threatened to transport all such traffic in its own equipment unless the authority sought herein is granted. It is further averred that the loss of income from this traffic through diversion to proprietary operations would prove to be economically disastrous to applicant.

Applicant declares that the sought extension and modification of the current authority are necessary to offset the changes in transportation conditions and to retain the shipper's traffic. Applicant asserts that the proposed rates will permit more efficient utilization of its equipment and result in a better balanced operation.

Revenue and expense data submitted by applicant indicate that the transportation involved has been profitable and reasonably may be expected to be profitable in the future.

The application was listed on the Commission's Daily Calendar of June 16, 1965. The certificate of service shows that a copy of the application was mailed to the shipper and to California Trucking Association on June 7, 1965. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds, that applicant's proposed rates are reasonable. A public hearing is not necessary. The application, as hereinafter modified, should be granted. Inasmuch as the time element would not permit the establishment of an effective date of July 1, 1965, the order which follows will be made effective on the date hereof and will be limited to expire at the end of one year. The authority granted by Decision No. 68235, supra, will be superseded.

IT IS ORDERED that:

1. Special Service Transportation Corporation, Ltd. is hereby authorized, as a highway contract carrier, to transport groceries, sugar, canned goods, animal feed, foodstuffs and other articles for Certified Grocers of California at rates less than the applicable minimum rates but not less than those set forth in and

subject to the conditions shown in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire one year after the effective date of this order unless sooner canceled, modified or extended by order of the Commission.

3. The authority granted in Ordering Paragraph 1 hereof shall supersede the authority granted by Decision No. 68235 on the effective date of this order.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 13th day of July, 1965.

Fredrick B. Holhoff
President

George T. Trover

Augusta

J.

William L. Beuret
Commissioners

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

APPENDIX A TO DECISION NO. 69414

SPECIAL SERVICE TRANSPORTATION CORPORATION, LTD.

SCHEDULE OF MINIMUM RATES, INCLUDING LIMITATIONS
AND CONDITIONS, APPLICABLE TO THE TRANSPORTATION
OF PROPERTY FOR CERTIFIED GROCERS OF CALIFORNIA.

SECTION 1

Item 1. Application of Rates - General

To the extent that Minimum Rate Tariff No. 2 prescribes minimum rates for the transportation of property, said minimum rates, rules and regulations are applicable to all shipments except as specifically provided in Section 2. See Exception.

Exception: The provisions of Items Nos. 200 to 230, inclusive, of said tariff will not apply in connection with the rates herein.

SECTION 2

Item 2. Application of Rates - Commodities

- a. Rates in Item 4 apply to such articles as are regularly sold or offered for sale in retail or wholesale grocery establishments.
- b. Rates in Item 5 apply on sugar and such commodities as described in Items 320, 338 and 345 of Minimum Rate Tariff No. 2.

Item 3. Application of Rates - Limitations and Conditions

The rates in this section are subject to the performance of the following services and the adherence to the following conditions:

- a. The shipper or consignee, Certified Grocers of California, will provide motive power and driver to disconnect the connected sets of carrier's inbound or outbound trailers and spot said trailers at the shipping or receiving docks. Shipper or consignee will furnish necessary labor to load or unload carrier's trailers and provide motive power and driver to pull the loaded or unloaded trailers away from shipping or receiving docks and connect them together.
- b. Shipping documents must bear the notation "Shippers Load and Count".

- c. Carrier shall be absolved from liability and shall not accept liability for loss, damage, nonreceipt, or misdescription of the goods, other than that where the collision or overturning of the vehicle is the proximate cause thereof, provided the vehicle is received at destination with seals intact.
- d. When the unit of equipment is filled to full visible or weight capacity, subject to a minimum load of 30,000 pounds (groceries) or 44,000 pounds (all southbound commodities) it shall be considered as one shipment.
- e. Shipper shall load split delivery shipments in inverse order for the carrier's convenience in making such deliveries.
- f. Rates shall apply only on the condition that for each haul of groceries northbound from San Fernando there shall be an immediate return haul of southbound commodities from Crockett or the San Francisco Territory to San Fernando or Los Angeles in the same equipment.

Item 4. Class Rates (In cents per 100 Pounds)¹

Property as described in Item 2(a).
 From: 13571 Vaughn Street, San Fernando, California
 To: Retail grocery stores in Santa Barbara and San Luis Obispo Counties.

MILES OVER	BUT NOT OVER	MINIMUM WEIGHT 30,000 POUNDS ²				
		1	2	3	4	5
140	150	64	56	48	41	34
150	160	66	58	51	43	35
160	170	68	52	53	44	36
170	180	71	63	55	46	37
180	190	73	65	56	47	39
190	200	75	67	58	49	40
200	220	77	69	60	51	41
220	240	80	71	63	53	43
240	260	83	74	65	55	44
260	280	86	77	67	57	46

¹ Subject to all surcharges prescribed in supplements to Minimum Rate Tariff No. 2.

² Subject to a minimum weekly aggregate tonnage of 300,000 pounds.

Item 5. Commodity Rates (In Cents per 100 Pounds)

Property as described in Item 2(b).

From: California and Hawaiian Sugar Co., Crockett, California,
and Warehouses located within the San Francisco
Territory as described in Item 270-3 in M.R.T. 2.

To: 13571 Vaughn Street, San Fernando, California
2601 S. Eastern Avenue, Los Angeles, California

<u>Rate</u> <u>(In Cents Per 100 Pounds)</u>	<u>Minimum Weight</u> <u>(In Pounds)</u>
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(1) 80% of otherwise applicable rates named in M.R.T. No. 2.	(2) 44,000
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(1) Subject to all surcharges prescribed in
supplements to Minimum Rate Tariff No. 2.

(2) Subject to a minimum weekly aggregate
tonnage of 300,000 pounds.

(END OF APPENDIX A)