

Decision No. 70769

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WALKUP'S MERCHANTS EXPRESS, a)
corporation, for an order granting)
permission to charge less than)
minimum rates for the transportation)
of green coffee for Hills Bros.)
Coffee, Inc., in the City and County)
of San Francisco.)

Application No. 48432
(Filed April 26, 1966)

OPINION AND ORDER

Walkup's Merchants Express (formerly Walkup Drayage and Warehouse Company) holds radial highway common carrier, highway contract carrier and city carrier permits. By Decision No. 69217 dated June 8, 1965, in Application No. 47538, applicant was authorized to charge a rate less than the established minimum rate for the transportation of green coffee for Hills Bros. Coffee, Inc., from piers on the San Francisco waterfront to the coffee company's plant in San Francisco. The authorized rate is 12½ cents per 100 pounds and is subject to a minimum weight of 1,000 tons per calendar month, the monthly tonnage to be averaged over twelve calendar months. The current authority is scheduled to expire with June 20, 1966.

By this application, applicant seeks authority to extend the current rate authority, with certain modifications, to and including June 30, 1967. The modifications which applicant proposes be made in the existing authority involve (a) an increase in the currently authorized rate to 13 cents per 100 pounds for the period June 20

through June 30, 1966; and (b) a further increase in this rate to 13½ cents per 100 pounds beginning July 1, 1966.¹

Applicant alleges that except for increases in certain of its operating costs, there has been no change in the circumstances which justify a reduced rate for the transportation involved herein. According to applicant, the volume of traffic handled and the traffic flow are substantially above the minimum tonnage requirements specified in the existing authority. Applicant and its predecessor have performed this transportation under prior rate authorities for many years past and applicant desires to maintain its long-standing relationship with this shipper by continuing to provide the same service.

Applicant asserts that it has experienced increases in certain of its operating costs and anticipates further increases in labor costs effective July 1, 1966. These increased costs, applicant declares, require that the authorized rate be increased as proposed for the respective periods specified. Applicant states that it is currently assessing a rate of 13 cents per 100 pounds for this transportation to offset the cost increases already incurred.

The reason for requesting that the expiration date of the current authority be extended through June 30, 1967, applicant states, is to make the authority match the annual period during which the wage rates are in effect. Since these wage rates historically have changed on July 1 of each year, it would be more convenient

¹ No authority for either increase in the rate now authorized is required inasmuch as applicant performs this transportation as a city carrier for which only minimum rates have been established. Authority to permit applicant to assess the sought rates after June 20, 1966, is required, however, inasmuch as each of the rates proposed is below the minimum rate otherwise applicable.

for applicant to have this authority expire with June 30 instead ✓
of the present date.

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

The certificate of service shows that copies of the verified application were mailed to Draymen's Association of San Francisco and California Trucking Association on April 26, 1966. The application was listed on the Commission's Daily Calendar of April 27, 1966. No objection to the granting of this application has been received.

In the circumstances, it appears, and the Commission finds, that the rates proposed to be assessed during the periods specified are reasonable and consistent with the public interest. A public hearing is not necessary. The Commission concludes that the application should be granted. In view of the impending expiration date of the current authority, the order which follows will be made effective June 20, 1966.

IT IS ORDERED that:

1. Walkup's Merchants Express is hereby authorized to transport green coffee for Hills Bros. Coffee, Inc., from piers on the San Francisco waterfront to the coffee company's plant in San Francisco at a rate less than the minimum rate established for such transportation but not less than 13 cents per 100 pounds for the period June 20 through June 30, 1966, and 13½ cents per 100 pounds thereafter, subject to a minimum weight of 1,000 tons per calendar month, the monthly tonnage to be averaged over twelve calendar months commencing with the month in which the property is first transported.

2. The authority herein granted shall, on and after June 20, 1966, supersede the authority granted by Decision No. 69217 and shall expire with June 30, 1967.

The effective date of this order shall be June 20, 1966.

Dated at San Francisco, California, this 24th day of May, 1966.

Frederick B. Hollhoff
President
John J. [unclear]
George E. Grover
[unclear]

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this ~~Commissioners~~