

ORIGINAL

Decision No. 73373

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
RUSSELL TRUCK COMPANY, a corporation,
for authority to deviate from
minimum rates pursuant to Section
3666 of the Public Utilities Code
for transportation performed for
Lever Brothers Company.

Application No. 49737
(Filed October 13, 1967)

OPINION AND ORDER

Applicant operates as a radial highway common carrier, a highway contract carrier and as a city carrier. By Decision No. 71549, dated November 9, 1966, in Application No. 48856, Russell Truck Company was authorized to transport soap, washing compounds, dessert preparations, margarine, lard, shortening and syrups wholly or partially on pallets for Lever Brothers Company (Lever Brothers) originating at the City of Commerce and destined to points in Los Angeles, Orange, San Bernardino and Riverside Counties for distances of seventy-five constructive miles or less at rates two cents per 100 pounds less than the rates and charges provided in Minimum Rate Tariffs Nos. 2 and 5. The authority is scheduled to expire with December 15, 1967. By this application, authority is again sought to assess the same less-than-minimum rates for an additional one-year period.

By Decision No. 70029 dated November 30, 1965, in Application No. 47786, as amended by Decision No. 70068 in Application No. 47879, the rates in issue were found to be reasonable upon the basis of evidence received at a public hearing which showed

that the operation involved herein is an unusually efficient one. The less-than-minimum rates have encouraged the shipper to tender palletized shipments and to increase the quantity of traffic tendered in this manner. Applicant anticipates that this trend will continue. The application states that Lever Brothers permits applicant to use without charge a yard adjacent to the shipper's plant. Applicant uses this yard to store the equipment necessary for the next day's operation for Lever Brothers. Loading of applicant's equipment, the application continues, is generally performed at night by the applicant's employees, and palletized shipments are loaded by Lever Brothers without charge to applicant. These shipments are palletized in the warehouse and are moved from locations in the warehouse to applicant's trailers by means of forklift equipment. Small orders are placed on a conveyor system in the warehouse and are loaded in the trucks from an extension of the conveyor system which reaches into the vehicle.

Applicant avers that at the time of the original hearing, its hourly cost for drivers was \$4.414 and this has now increased to \$5.23 per hour. However, applicant alleges, the direct savings in labor costs for loading and unloading are well in excess of the 2 cents per 100 pounds reduction in freight rates. Revenue and expense data submitted with the application indicate that the transportation involved has been profitable and reasonably may be expected to be profitable for the ensuing year.

The certificate of service shows that a copy of the verified application was mailed to the California Trucking Association on October 11, 1967, and the application was listed on the Commission's Daily Calendar of October 18, 1967. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds, that applicant's proposal is 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 on December 15, 1967.

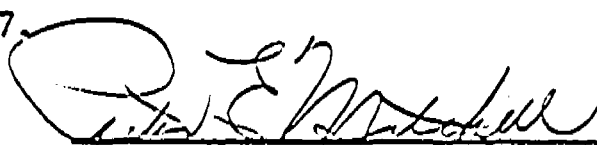
IT IS ORDERED that:

1. Russell Truck Company, a corporation, is authorized to depart from the minimum rates set forth in Minimum Rate Tariffs Nos. 2 and 5 for transportation performed for Lever Brothers Company from its warehouse in the City of Commerce to points and places in Los Angeles, Orange, San Bernardino and Riverside Counties, for distances within 75 constructive miles of the City of Commerce, subject to the conditions and limitations set forth in Appendix A attached hereto and by this reference made a part hereof.

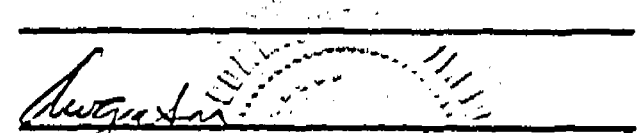
2. The authority granted herein shall, on and after December 15, 1967, supersede the authority granted by Decision No. 71549 and shall expire with December 15, 1968.

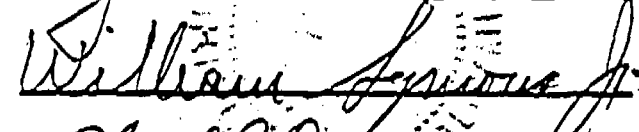
This order shall become effective December 15, 1967.

Dated at San Francisco, California, this 21st day of NOVEMBER, 1967.



President





Commissioners

APPENDIX A

Carrier: Russell Truck Company

Shipper: Lever Brothers Company

Commodities: Soap, washing compounds, dessert preparations, margarine, lard, shortening and syrups.

Points: Applicable only on traffic transported for Lever Brothers Company originating at the City of Commerce, California, and destined to points in Los Angeles, Orange, San Bernardino, and Riverside Counties for distances of seventy-five constructive miles or less from point of origin, except between Los Angeles Territory and Los Angeles and Long Beach Harbors.

Rates:

1. When shipments are tendered to Russell Truck Company by Lever Brothers Company loaded on pallets furnished by Lever Brothers Company and are unloaded from the same pallets at point of delivery at the time of delivery, the same pallets utilized for the outbound shipment will be returned to Lever Brothers Company without charge.

2. When shipments are tendered to Russell Truck Company by Lever Brothers Company loaded on pallets furnished by Lever Brothers Company and are loaded by forklift equipment and operator furnished by Lever Brothers Company, and the shipments are received by the consignee loaded on the same pallets and are unloaded by forklift equipment and operator furnished by the consignee, the rates applicable to shipments tendered in quantities of 60,000 pounds and over shall be two cents per one hundred pounds less than the rates and charges otherwise provided in Minimum Rate Tariffs Nos. 2 and 5 (not including alternately applied common carrier rates). Pallets will be returned free when an equal number of pallets for return to Lever Brothers Company are tendered to Russell Truck Company by the consignee at the time of delivery of an inbound shipment.

(a) When loading or unloading time exceeds three minutes per ton, additional charges for delay time shall be assessed as provided in Item No. 145 of Minimum Rate Tariff No. 2.

(b) Will not apply to shipments accorded split delivery or split pickup service.

3. In all other respects the provisions of Minimum Rate Tariffs Nos. 2 and 5 will apply.

(End of Appendix A)