

**ORIGINAL**

Decision No. 74872

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Bert E. and Lanel Jessup, a partnership dba LANEL JESSUP TRANSPORTATION COMPANY, for an order authorizing departure from the rates, rules and regulations of Minimum Rate Tariff No. 2, pursuant to the provisions of Section 3666 of the Public Utilities Code, for the transportation of cut flowers from Oceanside, California.

Application No. 49935  
(Filed January 10, 1968)

Charles C. Miller, for applicant.  
Richard W. Smith, A. D. Maruna, H. F. Kollmyer and A. D. Poe, for California Trucking Association, interested party.  
John W. Henderson, for the Commission staff.

O P I N I O N

This matter was heard May 16, 1968 and July 18, 1968 before Examiner Thompson at San Francisco and was submitted.

Applicants seek authority to assess rates and charges less than, and different from, the minimum rates and charges for the transportation of fresh cut gladiolus for Frazee Flowers, Inc. (Frazee) from Oceanside to San Francisco and the return of the empty containers from San Francisco to Oceanside. The transportation is seasonal and extends from November for about seven months. Applicants transported gladiolus for Frazee during the past season. The gladiolus were shipped in bundles with stems in five-gallon square containers weighing about 37 pounds each. The containers with gladiolus could only be loaded on the deck of the semi-trailer so that full utilization (40 lineal feet) of the trailer was required to transport 3360 dozen gladiolus (280 cans) weighing 10, 360 pounds.

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Frazee transports its gladiolus to the Los Angeles market in its own vehicles. It has designed a sheet steel carrier which will hold 14 plastic containers, each container holding 12 dozen gladiolus. The steel carriers are approximately the same width as the bed of the trailer and are loaded onto the trailer with a fork lift and pushed on rollers into the van. The steel carriers have side supports and are double-decked. They are constructed in such a manner that they may be nested when being returned empty.

Frazee has informed applicants that it will install the rollers on applicants' equipment and will fabricate sufficient carriers for use in transporting gladiolus to the San Francisco market provided applicants will transport them at the proposed rates. It has also stated that applicants can utilize the carriers and the plastic containers for transportation of flowers for other shippers southbound to the Los Angeles market. During the season Frazee ships 3360 dozen gladiolus three times a week to the San Francisco market.

Applicants desire to avail themselves of the carriers and container equipment. They presently haul flowers from northern California to Los Angeles and can foresee a use for the equipment. The advantage of the use of such equipment is the ease and speed of loading and unloading, and the fact that the carriers can be double-decked without damaging the flowers, permitting fuller utilization of the trailer equipment. It takes over five hours to load and unload 3360 dozen gladiolus in 280 tins whereas it requires only two hours to load and unload 3360 dozen gladiolus in 20 carriers. Applicants estimate that the saving in cost to them

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would be \$30.45 per load and that because of the double-decking of the shipment of gladiolus there would be room in the trailer for other revenue producing freight.

According to the testimony, last season applicants returned some of the empty tins following each load. Only about 75 percent were returned. Under the proposed method of handling, when the carriers would not be used by applicants for southbound flower shipments they would be nested and placed either in the dromedary portion of the tractor or placed in the head end of the trailer. Twenty carriers would occupy about 2 feet and 5 inches of lineal loading space which is considerably less than the space occupied by 280 empty 5 gallon tins placed loose in the trailer.

Exhibit 1 sets forth data regarding the present method and the proposed method of transporting 3360 dozen gladiolus from Oceanside to San Francisco and of transporting the empty containers returning. Official notice was taken of Minimum Rate Tariff No. 2. The summary below sets forth a comparison of the rate and of the performance of the two methods of operation.

Comparison of Present Method and Proposed Method  
of Transporting Gladiolus Northbound and  
Empty Containers Southbound

	<u>Present Method</u>	<u>Proposed Method</u>
Net Weight of 3360 Dozen Gladiolus	10,080 lbs.	10,080 lbs.
Tare Weight of Containers	<u>280 lbs.</u>	<u>3,200 lbs.</u>
Total Weight of Shipment Northbound	10,360 lbs.	13,280 lbs.
Space Occupancy - Linear Feet	40 ft.	24 ft. 2 in.
Loading Time at Oceanside	2 hrs. 40 min.	60 min.
Unloading Time at San Francisco	3 hrs. 10 min.	60 min.
Charge at Minimum Rate Northbound	\$ 184.04	\$ 235.43
Total Weight of Empties Southbound	280 lbs.	3,200 lbs.
Space Occupancy - Linear Feet	5 ft.	2 ft. 5 in.
Loading Time & Unloading Time	40 min.	40 min.
Charge at Minimum Rate Southbound*	\$ 4.31	\$ 39.75
Total Charges Round Trip	\$ 188.35	\$ 275.18

\*Assuming that empty containers would return following each haul and also assuming for purposes here that in both cases the empties would be subject to the ratings in Item 330 of MRT-2.

Applicants propose the following charges for transporting gladiolus in containers in carriers from Oceanside to San Francisco and for the return of empty containers:

Not less than 12 nor more than 14 carriers- \$154.50  
 Not less than 15 nor more than 20 carriers- \$206.00

If the gladiolus were shipped in tins rather than in plastic containers in carriers, the charges at the applicable minimum rate for the round-trip movement would be:

12 Carriers (2016 Dozen Glads in 168 cans)	\$147.09
13 Carriers (2184 Dozen Glads in 182 cans)	\$151.61
14 Carriers (2352 Dozen Glads in 196 cans)	\$163.18
15 Carriers (2520 Dozen Glads in 210 cans)	\$174.71
20 Carriers (3360 Dozen Glads in 280 cans)	\$188.35 <sup>1/</sup>

In every instance other than the transportation of 14 carriers the proposed charges would exceed the charge applicable at the minimum rate for the transportation of the same amount of gladiolus in tins and for the return of the empty tins.

Applicants did not make a showing that the cost to them of performing the round trip is less than the proposed charges. Indeed, it is apparent that if the equipment were to be devoted to the exclusive use of the shipper the proposed charges would not be compensatory.

It is also readily apparent that the proposed charges would be less than the charges applicable at the minimum rates for the transportation of the gladiolus in plastic containers in carriers.

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<sup>1/</sup> The reason for the change in the sequence of charges at 20 containers is that from 12 to 15 carriers are rated at the rate for 5,000 pounds (\$2.19 per cwt) and 16 carriers to 20 carriers are rated at the rate for 10,000 pounds (\$1.76 per cwt).

California Trucking Association does not oppose the authority being sought. It urges that if the authority is granted it be scheduled to expire in one year because of possible changes in conditions.

The Commission staff contends that the application should be denied because the proposed rates are lower than the minimum rates applicable to the transportation involved and it has not been shown that the proposed rates for the transportation to be performed are compensatory. It cites Karl A. Weber, 60 Cal. P.U.C. 59, in which the Commission held, "In proceedings brought under that Section [3666], a showing that the transportation to be performed at the proposed rate is compensatory is indispensable to a finding that the proposed rate is reasonable."

The situation here is different than the ones encountered in the usual proceeding brought under Section 3666 of the Public Utilities Code. Except when it ships 2352 dozen gladiolus, the shipper can obtain transportation of its gladiolus at less than the proposed rates providing it continues to ship them in tin cans. There is a substantial cost saving to the carrier by having the gladiolus shipped in carriers rather than in tins. The only advantages to the shipper appear to be of providing a better appearance of its flowers at the market and possibly, in the event it is considering marketing its carrier system, of having it seen by other growers and dealers of cut flowers. The carrier system also involves less handling of the flowers at the point of origin and at the flower market which reduces the breakage of flowers that normally occurs in handling.

The carrier system appears to be an improved and efficient method of transporting cut flowers. Although the system will result

in the applicants transporting 3200 additional pounds, under the present system the applicants' equipment when loaded to capacity with gladiolus weighs substantially less than the legal weight limit. The carrier system, even with that additional weight, will provide additional loading space for other revenue producing traffic.

The shipper will not undertake to ship its gladiolus in carriers via applicants if this application is denied. The traffic will continue to move in tins via applicants or else the shipper will utilize its system on its own trucks as it does presently in transporting the gladiolus to the Los Angeles market.

No discrimination will result from the granting of the authority sought. Any shipper can now have 3360 dozen gladiolus transported between Oceanside and San Francisco at rates no greater than the rates proposed herein. A different circumstance might result if the proposed rate were to be applicable to larger shipments but that matter does not arise here where the maximum amount that may be tendered at the \$206 rate is 3360 dozen gladiolus.

After consideration, we find that the proposed rates are reasonable. We conclude that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Bert E. and Lanel Jessup, a partnership doing business as Lanel Jessup Transportation Company, are authorized to transport fresh cut gladiolus for Frazee Flowers, Inc., from Oceanside to San Francisco in plastic containers in metal carriers, and empty containers in carriers from San Francisco to Oceanside, at rates and charges different from and less than the minimum rates and

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charges otherwise applicable but not less than those set forth, and subject to the conditions specified, in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire October 31, 1969 unless sooner canceled, modified or extended by order of the Commission.

The effective date of this order shall be November 1, 1968.

Dated at San Francisco, California, this 29<sup>th</sup> day of OCTOBER, 1968.

William J. Lyons, Jr.  
President  
John E. Mitchell  
William L. Bennett  
Augustus  
Commissioners

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.



Appendix A

Bert E. Jessup and Lanel Jessup  
(dba Lanel Jessup Transportation Company)

Shipper: Frazee Flowers, Inc.

Between: Oceanside and San Francisco

Commodity: Fresh, cut gladiolus in plastic containers in metal carriers. 12 dozen gladiolus per plastic container, 14 plastic containers per metal carrier.

Loading and Unloading: Shall be performed with fork lift equipment furnished by the shipper and consignee.

Rates: The rates include transportation of gladiolus in plastic containers in metal carriers from Oceanside to San Francisco and the return of empty containers and carriers from San Francisco to Oceanside.

\$154.50 per shipment of not less than 12 nor more than 14 metal carriers.

\$206.00 per shipment of not less than 15 nor more than 20 metal carriers.