

Decision No. 75176

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of SHIPPERS TRANSIT, INC., a  
corporation, for authority to  
deviate from MRT 2 in connection  
with certain contract transportation  
to be performed for VITA-PAKT  
CORPORATION.

Application No. 50435  
(Filed July 26, 1968)

M. J. Rosen, for Shippers Transit, Inc., applicant.  
Arthur D. Maruna, H. F. Kollmyer and Arlo D. Poe,  
for California Trucking Association, interested  
party.  
John W. Henderson and Jerome Parke, for the  
Commission staff.

O P I N I O N

By this application, Shippers Transit, Inc., a highway contract carrier, seeks authority under Section 3666 of the Public Utilities Code to deviate from the minimum rates named in Minimum Rate Tariff No. 2 (MRT 2) on shipments of chilled fruit juices for Vita-Pakt Citrus Product Company (Vita-Pakt) from Covina to Sacramento, Oakland, San Diego and certain intermediate points.

Public hearing on the application was held before Examiner Turpen at San Francisco on October 25, 1968. Applicant's president and the shipper's assistant vice president testified in support of the application. Representatives of the California Trucking Association and of the Commission's staff assisted in developing the record by cross-examination of the witnesses. No one appeared in opposition to the granting of the application.

Vita-Pakt blends and packages fruit juices at its plant in Covina and ships the juices in glass and plastic containers to

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its various warehouses in California for distribution to retail outlets and dairies. It has recently taken over operation of the various warehouses and feels it can operate more efficiently handling its own distribution instead of depending on local distributors.

Applicant's president testified that his company has purchased two tractors and seven 40-foot temperature-control trailers for use in this service. This equipment will be used exclusively for the Vita-Pakt shipments, except for such extra backhauls of other freight that can be secured and used to fill the trailers on the return trips which are bringing back empty containers. The witness stated that the trailers are so constructed that a legal load of over 50,000 pounds can be loaded. He also testified that due to the location of his terminal at Bakersfield, and the shipper's plant at Covina, it is possible to realize a very high use factor for the equipment and optimum utilization of the drivers' time. It is possible, according to the witness, to operate 24 hours a day. At Covina, the driver drops an empty trailer and picks up a loaded trailer. At San Diego, Fresno and Oakland, the driver drops a loaded trailer and picks up an empty trailer. At each of these locations the driver takes no more than 30 minutes to drop one trailer and pick up another trailer. The trailers are then unloaded and loaded by Vita-Pakt employees. At Sacramento, due to plant conditions, the driver lays over while the trailer is unloaded and loaded with empty containers, which explains the higher proportionate rate to Sacramento.

Applicant now performs this transportation for Vita-Pakt at the minimum rates. According to applicant's president, costs of

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each trip were calculated based on past operating experience and these costs were expanded to operating ratios of from 88 to 90 percent to arrive at the proposed rates. The proposed rates compared with the minimum rates are shown below:

<u>Destination</u>	<u>(Rate, cents per 100 pounds)</u>		
	<u>Proposed</u>	<u>MRT 2</u> <u>Until</u> <u>Dec. 31, 1968</u>	<u>MRT 2</u> <u>Effective</u> <u>Jan. 1, 1969</u>
Sacramento	72	75	75
Oakland	61	75*	75*
Oakland via Sacramento	76	83*	81*
Fresno	39	54	54
San Diego	18	39	40

\* Plus surcharge.

The proposed rates are subject to a minimum weight of 50,000 pounds, and include charges for split delivery and chilled temperature control service. They also include return of the empty containers to the Covina plant at no additional charge. Under the minimum rates, in addition to the rate shown, there would be charges for split delivery, temperature control, and return of the empties.

Applicant's president testified that, in his opinion, if the sought authority is not granted, Vita-Pakt would obtain its own equipment and perform the subject transportation itself.

The Commission finds that:

1. The transportation service here involved is of high volume and operating conditions are such that high use factors of equipment and labor are experienced, resulting in a very efficient operation.
2. The transportation service here involved can be performed by the carrier at a profit under the proposed rates.
3. The proposed rates are reasonable.

We conclude that the sought authority should be granted for a one-year period.

ORDER

IT IS ORDERED that:

1. Shippers Transit, Inc., is authorized to transport chilled fruit juices in glass and plastic containers for Vita-Pakt Citrus Product Company from Covina to the destinations named in Appendix A, attached hereto and by this reference made a part hereof, at rates less than the established minimum rates, but not less than those specified in, and subject to the conditions set forth in, said Appendix A.

2. The authority granted herein shall expire one year after the effective date hereof.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 7<sup>th</sup> day of JANUARY, 1969.

William Sproun J.  
President

Augustin

Fred P. Monsey

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Commissioners

APPENDIX A

SHIPPERS TRANSIT, INC.

APPLICATION OF RATES

Shipper: Vita-Pakt Citrus Product Company  
707 North Berranca, Covina, California

To: Destinations shown under rates.

Commodity: Chilled fruit juices in glass and molded plastic containers, and empty containers returning.

Rates: To destinations set forth below, subject to Notes 1 through 5. Rates are in cents per 100 pounds.

<u>Destination</u>	<u>Rate</u>
Sacramento (613 Galvaston)	72
Oakland (940 Brockhurst)	61
Oakland via Sacramento	76
Fresno (1906 W. Belmont) via Bakersfield, Tipton and Tulare	39
San Diego (5265 Lovelock)	18

Note 1: Subject to a minimum weight of 50,000 pounds. Rate includes split delivery charges, chilled temperature control service and return of empty containers.

Note 2: Vita-Pakt at San Diego, Covina, Bakersfield, Fresno and Oakland will provide motive power and driver to spot carrier's trailers at the shipping and/or receiving docks; 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.

Note 3: Shipping documents must bear the notation "Shippers Load and Count".

Note 4: 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.

Note 5: The 50,000 pound minimum shall apply to each outbound shipment from Covina made in a single piece of equipment. There shall be no multiple lot pickups utilizing different units of equipment.

(End of Appendix A)