

Decision No. 76716**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of KARLSON BROS. TRUCKING SERVICE,  
a corporation, for authority under  
Section 3666 of the Public Utilities  
Code to continue to assess and col-  
lect transportation charges based  
on units of measurement and rates  
different from and in some instances  
lower than the minimum rates hereto-  
fore established by the Commission.

Application No. 51587  
(Filed December 30, 1969;  
Amended January 5, 1970)

O P I N I O N

Applicant requests authority, as a highway contract carrier, to transport tomato plants and empty carriers returning for I.K.I. Farms between Mecca and points in central California, at flat rates per crate. The transportation will be performed during the 1970 tomato plant season, which extends over approximately an eight-week period between February 15 and June 30.

Applicant previously has been authorized to deviate from the rates in Minimum Rate Tariff No. 2 for transportation of tomato plants for I.K.I. Farms. The latest such authority covered the 1969 tomato plant season (Decision No. 75221, dated January 21, 1969). By this application, authority is sought to assess and collect rates on the same units of measurement, and at the same level as previously authorized, during the 1970 tomato plant season.

Applicant alleges that the shipper of the traffic embraced in this application desires that applicant be in a position to render the proposed service at the requested rates as soon after February 15, 1970, as possible. Therefore, it requests that the authority be granted without hearing.

The application states that, for accounting and sales reasons, I.K.I. Farms desires to continue to pay transportation charges on a system of flat rates per crate rather than upon a system of varying rates per 100 pounds. The application further states that the proposed rates and charges for the entire season's movement are expected to result in an operating profit to applicant, and will produce substantially more revenues to applicant than otherwise would accrue during this slack season.

The application contains revenue and expense data for operations conducted during the 1969 season, and projected revenue and expense data for the 1970 season. Such data show that 1969 operations resulted in a deficit.<sup>1/</sup> The projection for the 1970 season indicates that operations under the proposed rates will break even. Without the transportation for I.K.I. Farms, applicant alleges that its equipment will not be fully utilized and that it will incur an operating loss for period involved.

The certificate of service shows that copies of the application and amendment were mailed to the shipper and to California Trucking Association. The application was listed on the Commission's Daily Calendar of January 2, 1970. No objection to the granting of the application has been received.

In view of the deficits incurred from operations for I.K.I. Farms in the past two seasons, the application herein ordinarily would be set for public hearing. However, time does not permit the scheduling of a hearing and a decision thereon prior to the commencement of the 1970 shipping season. The carrier and

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<sup>1/</sup> Decision No. 75521, supra, indicates that the 1968 operations also resulted in a deficit which, assertedly, was occasioned by extraordinary nonrecurring expenses.

shipper have contracted to use rates similar to those sought herein over several past seasons, and presumably I.K.I. Farms has made plans to use applicant's services for the forthcoming season. Without said operations, applicant assertedly would incur operating losses for its entire business in the six-weeks' period. In the circumstances, the requested authority should be continued for an additional season.

Karlson Bros. Trucking Service is placed on notice that if it intends to continue this rate deviation for the 1971 season, an application should be timely filed so that a public hearing may be held in advance of the commencement of the transportation service for I.K.I. Farms.

The Commission finds that the proposed rates are reasonable. A public hearing is not necessary. The Commission concludes the application should be granted.

O R D E R

IT IS ORDERED that:

1. Karlson Bros. Trucking Service, a corporation, is authorized to transport tomato plants, in crates, with a declared valuation of \$5.00 per 100 pounds, and empty crates returning, for I.K.I. Farms, at rates different from the minimum rates but not less than those set forth in Appendix A attached hereto and by this reference made a part hereof.

2. The authority herein granted shall expire with  
July 30, 1970.

The effective date of this order shall be February 15,  
1970.

Dated at San Francisco, California, this 27th  
day of JANUARY, 1970.

William J. Lyons, Jr.  
President

[Signature]  
[Signature]  
[Signature]  
Commissioners

KARLSON BROS. TRUCKING SERVICE

SCHEDULE OF MINIMUM RATES FOR  
TRANSPORTATION OF TOMATO PLANTS  
FOR I.K.I. FARMS

Item 10. Application of Rates - Commodity.

Rates shall apply to the transportation of tomato plants, in lettuce crates or in cantaloupe crates, with a declared valuation of \$5.00 per 100 pounds; and to empty cantaloupe crates and lettuce crates returning, or for return loaded movement of tomato plants.

Item 20. Application of Rates - Territory.

Rates shall apply to the transportation of tomato plants as described in Item 10 from Mecca to points in Central California (see Note 1) and to the transportation of empty crates as described in Item 10 from points in Central California (see Note 1) to Mecca.

Note 1. Points in Central California include all points in the Counties of San Luis Obispo, Monterey, Santa Cruz, San Benito, Santa Clara, San Mateo, Alameda, Contra Costa, San Joaquin, Yolo, Sacramento, Sutter, Yuba, Butte, Stanislaus, and Merced; and points in the Santa Maria Valley in Santa Barbara County.

Item 30. Application of Rates - General.

Rates include the service of transportation, including split delivery service.

Item 40. Rates on Tomato Plants as Described in Item 10.

From: Mecca  
To: Points in Central California (see Item 20) (1)

	<u>Rates in Cents per Crate</u>
Tomato Plants	
Per Cantaloupe Crate	64
Per Lettuce Crate	80

(1) Subject to minimum quantity of 20,000 pounds calculated at 40 pounds per cantaloupe crate and 70 pounds per lettuce crate. Exception: On not to exceed ten shipments per season shipments may be less than 20,000 pounds but shall be subject to a minimum charge per shipment of \$150.

Item 50. Rates on Empty Crates.

From: Points in Central California (see Item 20)  
To: Mecca

	<u>Rates in Cents per Crate</u>
Empty Crates returning from an outbound paying load or shipped for a return paying load.	10

Item 60. Payments of Charges.

Charges on all shipments transported under the foregoing rates shall be paid by I.K.I. Farms.