

Decision No. 80067

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of

CENTRAL COAST TRUCK SERVICE, INC.,
a corporation

for authority to depart from minimum rates in connection with certain transportation of fresh produce and nuts on pallets to be performed for Safeway Stores, Incorporated.

Application No. 53272
(Filed April 17, 1972)
(Amended April 25, 1972)

OPINION AND ORDER

Central Coast Truck Service, Inc., a corporation, operates as a highway permit carrier. By this application, as amended, it seeks authority to depart from the minimum rates in Minimum Rate Tariff 3 (MRT 3) for the transportation of fresh fruits, nuts and vegetables for Safeway Stores, Incorporated (Safeway) by allowing \$17.50 per truckload to be deducted from the resulting freight charges on certain palletized shipments which are unloaded by mechanical means.¹

Applicant states that it is the primary trucker engaged by Safeway to haul the above commodities in California, and it transported over 200 million pounds of fresh produce for Safeway during 1971.

Applicant alleges that the manual unloading of agricultural products on a per-unit basis is inefficient and time consuming

¹ This incentive allowance would apply to shipments that are destined to Richmond and Sacramento and subject to the rates in Item 300 (based on minimum weights of not less than 40,000 pounds) or 335 of MRT 8.

and that lumper charges for unloading fresh produce on a per-unit basis is expensive as compared to lumper charges for unloading palletized shipments of fresh produce. Applicant avers that the current rate structure contained in MRT 8 includes the cost of unloading but does not set forth therein any provision to encourage the use of the more efficient method of shipping goods on pallets. According to applicant, the lack of an economic incentive has hampered the growth of this more efficient system of transport. Applicant contends that Safeway has indicated that it would use and encourage palletization of fresh produce if it had a monetary incentive to help offset the extra cost which it incurs in furnishing the one-way pallets for the shipments in question. Applicant declares that the proposal will result in maximum efficiency in the utilization of its equipment to the mutual benefit of all parties concerned.

Data submitted by applicant indicate that the proposed rates may reasonably be expected to be profitable for the transportation involved.

The verified application, as amended, shows that copies thereof were mailed to interested parties on or about April 17 and 25, 1972. The application, as amended, was listed on the Commission's Daily Calendar of April 19 and 27, 1972. No objection to the granting of the application, as amended, has been received.

Commission staff analysis of the application, as amended, indicates that the proposal will result in a rate reduction to the shipper and a greater net revenue to the carrier due to reductions in the carrier's unloading costs. Inasmuch as the conditions surrounding the transportation involved may change and

there is an urgent need for the sought relief, the staff recommends that the application be granted by ex parte order for one year.

In the circumstances, it appears, and the Commission finds, that applicant's proposal is reasonable. A public hearing is not necessary. The Commission concludes that the application, as amended, should be granted.

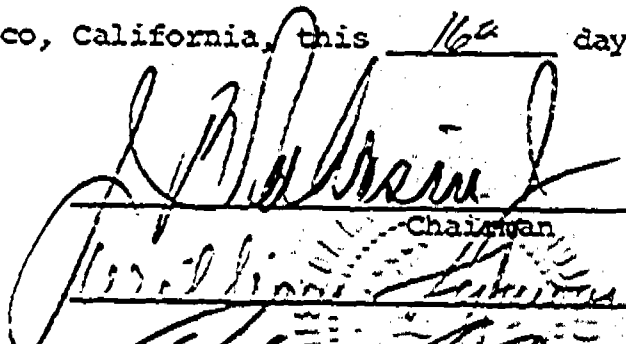



IT IS ORDERED that:

1. Central Coast Truck Service, Inc., a corporation, is authorized to depart from the minimum rates and rules set forth in Minimum Rate Tariff 3 for the transportation of fresh fruits, nuts and vegetables on pallets from points in California to Richmond and Sacramento as more specifically set forth in Appendix A attached hereto and made a part hereof.

2. The authority hereinabove granted shall expire one year after the effective date of this order unless sooner canceled, modified or extended by order of the Commission.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 16th day of May, 1972.


Chairman



Commissioners

APPENDIX A

CENTRAL COAST TRUCK SERVICE, INC.

SCHEDULE OF MINIMUM RATES FOR THE TRANSPORTATION OF
FRESH FRUITS, NUTS AND VEGETABLES ON PALLETS FOR
SAFEWAY STORES, INCORPORATED

Section 1

Item 10 - Application of Rates

The minimum rates and rules set forth in Minimum Rate Tariff 8 are applicable on all shipments of Fresh Fruits, Nuts and Vegetables except as provided in Section 2 herein and except on shipments of carrots, in bulk, in collapsible bins, on pallets to Richmond and Sacramento as described in the Commission's Decision No. 79701, dated February 8, 1972.

Section 2

Item 20 - Application

Shipments to Richmond and Sacramento rated under Items 300 and 335 of Minimum Rate Tariff 8 are entitled to an incentive allowance of \$17.50 per truckload, to be deducted from freight charges after all charges including surcharges have been computed, when all the following conditions are met:

- 1) All items contained in the shipment are fully palletized or unitized and the shipment is unloaded, not by hand, but by mechanical means.
- 2) Each unit of carrier's equipment used to transport commodities rated under Items 300 and 335 of Minimum Rate Tariff 8 shall be subject to minimum weights of not less than 40,000 pounds and 43,000 pounds, respectively.

(END OF APPENDIX A)