

ORIGINAL

Decision No. 80892

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
E. A. BAKICH, an individual, doing
business as E. A. BAKICH TRUCKING
for authority to deviate from
minimum rates to the extent shown
in Exhibit I hereto for the trans-
portation of frozen fruit in drums
not requiring protective service in
transit and returning empty used
drums.

Application No. 53677
(Filed November 6, 1972)

O P I N I O N

Applicant holds a radial highway common carrier permit. By this application he seeks authority to assess less than minimum rates for the transportation of frozen fruit in drums, on pallets and used empty drums for California Farm Products, a division of J. M. Smucker Co., between Watsonville, California and vicinity, and Salinas, California.

The rates proposed are 21 cents per 100 pounds, minimum weight 40,000 pounds on frozen fruit and 30 cents per 100 pounds, minimum weight 10,000 pounds on used empty drums.

The existing minimum rates are 33 cents per 100 pounds, minimum weight 36,000 pounds plus \$5.70 surcharge on frozen fruit and 44 cents per 100 pounds, minimum weight 12,000 pounds plus \$3.70 surcharge on used empty drums.

In support of his request applicant states that although the rates for the outbound movement of freight are predicated upon refrigerated service, no refrigeration or protective service is needed or used. All shipments are power-loaded and power-unloaded by shipper. Return loads of used empty drums are also loaded and unloaded by shipper. Applicant asserts that revenue derived from

handling this traffic at the existing minimum rates is extremely favorable. Also the availability of a back haul of empty drums substantially affects the cost.

Applicant has submitted a cost study to demonstrate the profitable character of the involved traffic at the proposed rates. This cost study is self-explanatory and describes the equipment which will be used in this service, the method of loading and unloading, time and distance involved in the haul, the labor costs, vehicle fixed costs, mileage costs, and other direct costs, as well as a developed indirect cost.

Applicant alleges that the shipper has purchased some equipment and has undertaken to move most of the traffic on a proprietary basis. Applicant further alleges that the shipper has informed him that unless the proposed rates are made available the shipper will acquire additional equipment and divert all traffic to proprietary hauling.

The certificate of service shows that a copy of the application was mailed to California Trucking Association on November 6, 1972. The application was listed on the Commission's Daily Calendar. No objection to the granting of the application has been received.

Subject to further review upon consideration of evidence which may be adduced at a public hearing, it appears, and the Commission finds that the rates sought herein are reasonable for the transportation to be performed by E. A. Bakich. The Commission concludes that E. A. Bakich should be granted interim authority to the extent hereinafter indicated for a period of six months. A future hearing will be scheduled in this proceeding.

IT IS ORDERED that:

1. E. A. Bakich is authorized to depart from the minimum rates set forth in Minimum Rate Tariff 2, by charging rates less than the applicable class rates for the transportation of frozen fruits and empty drums as set forth in Appendix A attached hereto and made a part hereof.

2. The authority granted herein shall expire six months after the effective date of this order.

3. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this application.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 29th
day of DECEMBER, 1972.

Vernon L. Sturgeon
President
William Synovis, Jr.

[Signature]

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A
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Carrier: E. A. Bakich, dba E. A. Bakich Trucking

Shipper: California Farm Products, a division of J. M. Smucker Co.

Commodities: (1) Frozen fruit in drums, on pallets.
(2) Empty used drums.

A. Rate for Transportation of Frozen Fruits
(Subject to Notes 1, 2, 3, and 4)

1. Origins and destinations

<u>From</u>	<u>To</u>
California Farm Products plant located at 423 Salinas Road, approximately 1 mile west of Watsonville, California.	(a) Plant of J. M. Smucker Co. located at 1275 Hansen Street, Salinas, California.
	(b) Warehouse of Growers Ice Co. located at Abbott and Merrill Streets, Salinas, California.

2. Rate

Twenty-one cents (21¢) per 100 pounds, minimum weight 40,000 pounds.

B. Rate for Transportation of Empty Used Drums
(Subject to notes 1, 3, and 4)

Rates set forth below apply to empty used drums on pallets.

APPENDIX A
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1. Origins and destination

<u>From</u>	<u>To</u>
(a) Plant site of J. M. Smucker Co. located at 1275 Hansen Street, Salinas, California.	California Farm Products, a division of J. M. Smucker Co., plant located at Railroad Avenue and Salinas Road, Watsonville, California.
(b) Warehouse of Growers Ice Co. located at Abbott and Merrill Streets, Salinas, California.	

2. Rate

Thirty cents (30¢) per 100 pounds, minimum weight 10,000 pounds.

C. Notes limiting application of rates

1. Traffic must be power-loaded at origin and power-unloaded at destination by the shipper.
2. Bill of lading must state "protective service is not required".
3. Minimum rate applies to each unit of the carrier's equipment used in the transportation of a single shipment. A unit of equipment includes a tractor and one set of doubles - flat beds.
4. Rates apply only when carrier has transported outbound for shipper a cargo subject to Section A rates.