

Decision 82 12 050 DEC 8 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Mammoth of California for authority to depart from the minimum rates, rules and regulations of Minimum Rate Tariff No. 8, pursuant to the provisions of Section 3666 of the Public Utilities Code for transportation of BANANAS for Safeway Stores.

Application 82-08-57
(Filed August 30, 1982;
amended October 1, 1982)

O P I N I O N

Mammoth of California (Mammoth) requests authority to charge less than the rates contained in Minimum Rate Tariff (MRT) 8-A for the transportation of bananas. Shipments involved are those originating at the banana loading facilities at Long Beach, Los Angeles Harbor, and Port Hueneme, destined to Safeway Stores, Inc. (Safeway) at Richmond and Sacramento. The minimum rates applicable for the northbound shipments of bananas, as presently shown in MRT 8-A, are as follows:

Table 1
MILEAGES

<u>From/to</u>	<u>Richmond</u>	<u>Sacramento</u>
Long Beach/Los Angeles Harbor	412	422
Port Hueneme	390	411

PRESENT CHARGES BASED ON APPLICABLE MILEAGE

Miles	375-400	400-425
Base Rate	163/43000 = \$700.90	173/43000 = \$743.90
Surcharge 2.5%	17.52	18.60
Mechanical Refrigeration 6.5¢	27.95	27.95
Mechanical Refrigeration Surcharge 2%	.56	.56
Total	\$746.93	\$791.01

In lieu of the applicable minimum charges for the transportation shown above, Mammoth requests permission to assess a charge of \$725 or \$650, depending upon return load opportunity. These charges will include the base rate, mechanical refrigeration charge, loading, unloading, and surcharges otherwise applicable in connection with the services. Loading of carrier equipment will be performed by the shipper, with the driver acting only as a "pusher" (assistant). Unloading of carrier equipment will be accomplished by the driver only.

The shipments will be in straight truckload quantities. Average shipment weight is in excess of 43,500 pounds. Vessels bringing bananas to Long Beach and Los Angeles Harbors are off-loaded for truck loading every Monday, commencing 8 a.m. and concluding Thursday at 5 p.m. Vessels arriving at Port Hueneme are off-loaded on Mondays, commencing at 8 a.m. through Wednesdays at 5 p.m.

Safeway has been escalating its proprietary fleet backhaul program. The carrier believes it is justified in reducing banana truckload rates on the basis of speedy consignor loading, consistency of traffic, reduced cost of unloading, and the low empty mileage factor from previously delivered freight.

In connection with many northbound banana shipments delivered to Richmond or Sacramento, Mammoth intends to transport a southbound shipment to Safeway's Santa Fe Springs distribution center. In those instances where Safeway tenders Mammoth a return southbound load within 12 hours of completion of the northbound banana movement, Mammoth will assess the lower charge of \$650 on the banana shipment.

Mammoth has submitted cost information applicable in connection with both one-way (northbound) and round-trip movements. Costs include labor expense (based on prevailing wage levels), vehicle fixed and mileage costs, insurance, Commission fees, and indirect expenses. The carrier has developed total costs on a unit of equipment basis. The application contains a letter of support from Safeway.

Mammoth has not requested that service under the requested rates include stops for partial loading and/or unloading.

The Commission's Transportation Division has reviewed the application and supporting cost information and believes it to be one which, in the absence of protest, may be granted by ex parte order. It recommends that the authority be granted for a one-year period and be conditioned as follows:

If Mammoth engages subhaulers, these carriers shall be paid 100% of the rates authorized without any deduction for use of Mammoth's trailing equipment.

Mammoth currently assesses a rate of 101¢, minimum weight 48,000 pounds, on shipments of groceries moving between Richmond and Sacramento, on the one hand, and the Los Angeles area, on the other hand, under Rate Reduction (RR) 504. In granting this application, we will condition use of the lower charge of \$650 upon tender of a return load earning at least the minimum charge under RR 504.

Findings of Fact

1. Mammoth seeks authority to assess rates less than the minimum rates set forth in MRT 8-A for the transportation of bananas originating at Long Beach, Los Angeles Harbor, and Port Hueneme destined to Safeway distribution centers located in Richmond and Sacramento.

2. The transportation will be performed in refrigerator vans.

3. Cost data submitted with the application indicate that the transportation at the proposed rates will be compensatory.

4. No protest to granting the application has been received.

5. A public hearing is not necessary.

Conclusion of Law

The application should be granted to the extent set forth in the following order. Since there is an immediate need for relief, the effective date of this order should be today.

O R D E R

IT IS ORDERED that:

1. Mammoth of California (Mammoth) is authorized to depart from the provisions of MRT 8-A and to assess rates for transportation to the extent and at rates set forth in Appendix A.

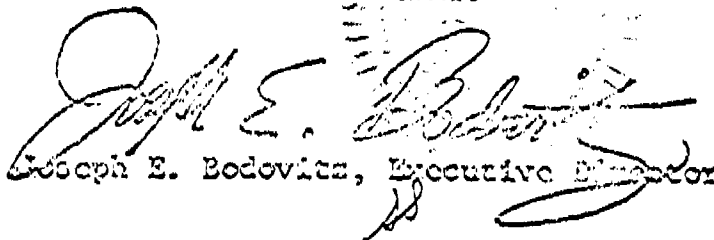
2. The authority granted shall expire one year after the effective date of this order unless sooner canceled or extended by order of the Commission.

3. In all other respects, the provisions of MRT 8-A shall apply. This order is effective today.

Dated DEC 8 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

APPENDIX A

Carrier: Mammoth of California

Shipper: Safeway Stores, Inc.

Commodity: Bananas

Origins: Long Beach, Los Angeles Harbor, Port Hueneme.

Destinations: Safeway Stores, Inc. Distribution Centers at Richmond and Sacramento.

Rates: \$650 per unit of equipment, per load (1).
\$725 per unit of equipment, per load (2).

Conditions:

1. Rates are not subject to the following provisions of MRT 8-A.
 - a. Item 150 - loading/unloading.
 - b. Item 240 - mechanical refrigeration.
 - c. Surcharge.
 2. Shipper shall load carrier shipment, with carrier driver acting only as pusher.
 3. Carrier shall unload, using driver only.
 4. Carrier shall not stop in transit to complete loading or partly unload.
 5. If Mammoth engages subhaulers to perform this transportation, these carriers shall be paid 100% of the rates shown, without any deduction for the use of Mammoth's trailing equipment.
- (1) Applies when Safeway Stores, Inc. tenders a return load to Mammoth for transportation in same unit of equipment from Richmond or Sacramento to Santa Fe Springs. Return load must be loaded within 12 hours after unloading of northbound banana load. Return load must move under the provisions of Rate Reduction 504.
- (2) Applies when a return load is not tendered as outlined in (1).

(END OF APPENDIX A)

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 - a. Item 150 - loading/unloading.
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 2. Shipper shall load carrier shipment, with carrier driver acting only as pusher.
 3. Carrier shall unload, using driver only.
 4. Carrier shall not stop in transit to complete loading or partly unload.
 5. If Mammoth engages subhaulers to perform this transportation, these carriers shall be paid 100% of the rates shown, without any deduction for the use of Mammoth's trailing equipment.
- (1) Applies when Safeway Stores, Inc. tenders a return load to Mammoth for transportation in same unit of equipment from Richmond or Sacramento to Santa Fe Springs. Return load must be loaded within 12 hours after unloading of northbound banana load. Round-trip revenue must total at least \$1,134.80.
- (2) Applies when a return load is not tendered as outlined in (1).

(END OF APPENDIX)