

ORIGINAL

Decision 82 12 052 DEC 8 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of KINGS COUNTY TRUCK)
LINES for authority to depart from)
the rates, rules and regulations)
of Minimum Rates Tariff 8A in the)
transportation of Fresh Bananas for)
Safeway Stores, Incorporated under)
the provisions of Section 3666 of)
the Public Utilities Code.)

Application 82-09-44
(Filed September 27, 1982)

O P I N I O N

Kings County Truck Lines (KCTL) 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 Harbor, Los Angeles Harbor, and Port Hueneme, destined to Safeway Stores, Inc. (Safeway) at Richmond and Sacramento. Authority is also requested to deviate from MRT 8-A rates in connection with round-trip movements, combining the northbound banana shipments with southbound shipments of various commodities for Safeway. 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 cents	27.95	27.95
Mechanical Refrigeration Surcharge 2%	<u>.56</u>	<u>.56</u>
	\$746.93	\$791.01

In lieu of the applicable minimum charges for the transportation shown above, KCTL 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.

Shipments of bananas 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 costs developed and included in the application.

In connection with many northbound banana shipments delivered to Richmond or Sacramento, KCTL intends to transport a southbound shipment to Safeway's Santa Fe Springs distribution center under the provisions of Rate Reduction (RR) filing 504.

RR 504 authorizes reduced rates for the transportation of various commodities, principally foodstuffs, between the Los Angeles Basin Territory, on the one hand, and various San Joaquin Valley, Sacramento Valley, and San Francisco Bay Area points, on the other hand. Rates for shipments transported under this authority are published in Western Motor Tariff Bureau (WMTB)

Tariff 20-4 MELQ. The rates range from 78 cents to 126 cents per 100 pounds, minimum weight 48,000 pounds. Additional charges are applicable for such services as carrier loading/unloading, temperature control and stopping in transit.

In those instances where Safeway tenders KCTL a return southbound load within 12 hours of completion of the northbound banana movement, KCTL will assess the lower charge of \$650 on the banana shipment.

KCTL has submitted cost information applicable in connection with both one-way (northbound) and round-trip movements. Costs include labor expense, 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.

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:

KCTL, having submitted cost data for a subhauler who will be engaged in the tariff, shall be authorized to pay the named subhauler in accordance with the provisions set forth in the application.

If KCTL engages subhaulers other than the carrier named in the application, those carriers shall be paid 100% of the rates authorized without any deduction for use of KCTL's trailing equipment.

KCTL presently intends to use the service of one named subhauler in connection with this transportation, and has furnished cost information for the carrier. KCTL will pay this carrier 90% of the rates authorized.

Findings of Fact

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

2. KCTL also seeks authority to assess rates less than the minimum for the transportation of round-trip movements. These round-trip movements consist of northbound loads of bananas originating at the points set forth in Finding of Fact 1, and return shipments consigned to Safeway's distribution center located at Santa Fe Springs, moving at rates authorized in RR 504.

3. The transportation will be performed in refrigerator vans.

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

5. The cost data supplied in connection with transportation to be performed by a named subhauler indicate that the rates paid that carrier will be compensatory.

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

7. 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. Kings County Truck Lines (KCTL) 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.

4. KCTL shall pay the subhauler shown in Appendix A in accordance with the schedule of payments shown in this decision.

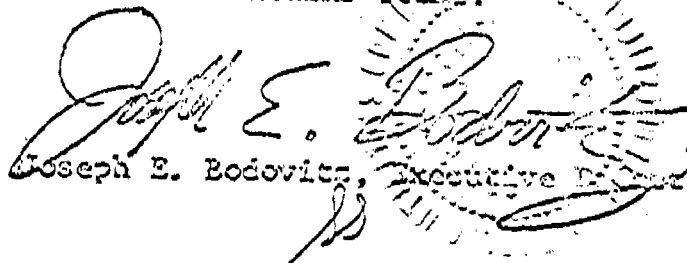
5. If KCTL engages subhaulers other than the carrier named in Appendix A, those carriers shall be paid 100% of the rates authorized without any deduction for use of KCTL's trailing equipment.

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. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director

APPENDIX A
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Carrier: Kings County Truck Lines

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 northbound shipments.
5. Carrier shall compensate the independent contractor-subhauler listed in this appendix in accordance with the division of revenue shown in the decision. When independent contractor-subhaulers not listed are engaged to perform this transportation, they shall be paid 100% of the rates authorized.

APPENDIX A

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- (1) Applies when Safeway Stores, Inc. tenders a return load to KCTL, in the same unit of equipment, under the provisions of RR 504, published in Item 2095 of WMTB Tariff 20-4 MELQ, destined to Santa Fe Springs. Return load must be loaded within 12 hours after unloading of northbound banana load.
- (2) Applies when a return load is not tendered as outlined in (1).

Independent Contractor-Subhauler Authorized to
be Paid in Accordance With the Division of
Revenues Shown in this Decision

<u>Carrier</u>	<u>Cal T-Number</u>
Silver Arrow Express, Inc.	136,697

(END OF APPENDIX A)