

ORIGINALDecision No. 51017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 GEORGE POTIGIAN, doing business as)
 Potigian Transfer, for authority to) Application No. 36612
 charge less than minimum rates under the)
 provisions of the Public Utilities Code.)

OPINION AND ORDER

Applicant transports packaged raisins as a highway contract carrier for three packing companies located in the vicinity of Sanger and Del Rey in Fresno County. Deliveries are made at the Port of Stockton and at San Francisco Bay ports. Authority is sought to charge less than the established minimum rates for this transportation.

The applicable highway carrier rates are provided in Minimum Rate Tariff No. 2. Under the provisions of this tariff, carload rail rates may be applied by highway carriers when the transportation is between points served by rail. Shipments originating at off-rail points are subject to the rates named in the minimum rate tariff, or to a combination of the highway carrier rate from the shipper's plant to the railhead with the rail rate from railhead to destination.

The three packing companies served by the applicant are not located at a railhead, thus necessitating the assessment of higher rates as indicated in the footnote.¹ Applicant seeks authority to assess the lower rail rates from the off-rail shipping points.

¹The truckload and carload rates in cents per 100 pounds on packaged raisins may be compared as follows:

	<u>Highway Carrier</u>	<u>Railhead to Railhead</u>	<u>Combination Truck and Rail</u>
From Sanger and Del Rey <u>To</u>			
Port of Stockton	27½	24.15	27½
San Francisco Bay Ports	39	29.90	37.40

According to exhibits attached to the application, the assessment of the off-rail truck rate places applicant's shippers at a competitive disadvantage. Assertedly, unless the authority herein sought is granted these shippers will be forced out of business. The application states that the loading facilities are advantageous to the carrier, and that an annual movement of some 7,500 tons is involved. Until recently, according to the application, the applicant has given his shippers the benefit of the lower rail rate upon the assumption that there was no regulation for this class of traffic.²

Interested parties have been notified of the filing of this application. No one has opposed its being granted.

Granting of the authority would permit applicant to retain the traffic, would remove the rate disparity now burdening applicant's shippers, and would be consistent with the Commission's policy of establishing for agricultural products the lowest lawful rates compatible with the maintenance of adequate service.

In consideration of all the special circumstances herein involved the Commission concludes and finds as a fact that the rates resulting from the granting of this application will be reasonable. This is a matter in which a public hearing is not necessary. The application will be granted. Because the conditions which justify the granting of the sought authority may change, the authority will be made to expire at the end of one year, unless sooner canceled, changed or extended by order of the Commission.

Therefore, good cause appearing,

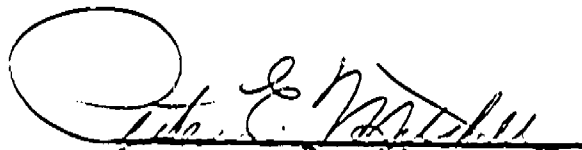
² Certain agricultural commodities moving in interstate or foreign commerce, although exempt from Federal rate regulation, are subject to the provisions of the Public Utilities Code and to the rates contained in Minimum Rate Tariff No. 2 (See Decision No. 50156, in Case No. 5432, of June 18, 1954).

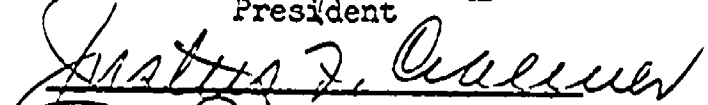
IT IS HEREBY ORDERED that George Potigian, doing business as Potigian Transfer, be and he is hereby authorized to transport packaged raisins for Tusan Packing Co., Chooljian Bros. Dehydrator, and The Crosby's Fruit Packers from their packing plants located in the vicinity of Sanger and Del Rey to the Port of Stockton and to San Francisco Bay area ports, at the rates that would be applicable under the provisions of Minimum Rate Tariff No. 2 if such plants were located at railhead at said origin points.

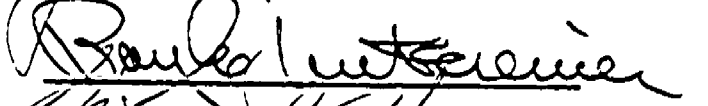
IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire one year after the effective date of this order unless sooner canceled, changed or extended by order of the Commission.


This order shall become effective twenty days after the date hereof.

Dated at Los Angeles, California, this 25th day of January, 1955.



President






Commissioners