

Decision No. 51945**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

The Application of CAPITOL TANK)	
LINE, INC., for authority under)	
Section 452 of the Public)	
Utilities Code to establish rates)	Application No. 37213
lower than its published tariff,)	
for the movement of petroleum products)	
for the United States Government.)	

INTERIM OPINION AND ORDER

Applicant is a highway common carrier engaged in the business of transporting petroleum products in bulk. In its application, it states that it has heretofore under Section 530 of the Public Utilities Code offered reduced rates to the United States Government for the transportation of jet fuel and aviation gasoline between Group 6 (Compton) on the one hand and George Air Force Base, Edwards Air Force Base, Muroc and March Field on the other hand.

Section 530 of the Public Utilities Code, provides, among other things, that common carriers subject to Part 1 of the Code may transport free or at reduced rates, property for the United States, state or municipal governments. Amendments to Section 530, recently enacted to become effective September 7, 1955, remove the general right to transport property for governmental agencies free or at reduced rates subject to certain exceptions. Under the amendment, the Commission may permit common carriers to transport property at reduced rates for governmental agencies to such extent and subject to such conditions as it may consider just and reasonable.

By this application, Capitol Tank Line, Inc., seeks authority to continue to transport jet fuel and aviation gasoline at the rates it has heretofore offered the United States Government. It states that the transportation returns a reasonable profit and that

retention of the traffic is necessary in order to carry on its business. It alleges that competition from proprietary operation and oil brokerage concerns who quote and sell liquid petroleum products on a delivered basis compels a reduced rate for this traffic.

While the facts related in the application are not fully persuasive that the proposed rates are just and reasonable, the circumstances justify granting the applicant authority to continue to transport jet fuel and aviation gasoline at the rates quoted the United States Government until it has reasonable opportunity to present evidence in support of its application at a public hearing.

Inasmuch as the amendment to Section 530 becomes effective September 7, 1955, the order herein will be made effective immediately.

An application having been filed and good cause appearing, it is ordered that Capitol Tank Line, Inc., be and it is hereby authorized for a period of ninety days from the effective date of this order to charge and assess the United States Government for the transportation of jet fuel and aviation gasoline the following rates in cents per 100 pounds.

<u>Commodity</u>	<u>From</u>	<u>To</u>	<u>Rate</u>
Jet Fuel	Group 6 (Compton)	George Air Force Base	17½
	"	Edwards Air Force Base (Muroc)	18½
Aviation Gasoline	Alliance-Norwalk Terminal (USAF), Norwalk	George Air Force Base March Field	15 10
	Group 6 (Compton)	George Air Force Base Edwards Air Force Base (Muroc) March Field	17½ 18½ 12½

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

Dated at San Francisco, California, this 6TH day of SEPTEMBER, 1955.

[Signature]
President

[Signature]

[Signature]

Commissioners