

addition authority was granted to provide the same transportation service from Sun Valley to Akron's store at San Jose at a rate of \$231.75 per load. The authority granted by the interim order is subject to a minimum of 28 loads per month. The interim order also provides that in the event the two vans comprising a single unit of equipment are dropped, one at San Jose and one at San Francisco, an additional charge of \$20 will be assessed.

Evidence in support of the application was presented by the general manager of Akron and the vice-president of Ragus Trucking. A representative from the Commission staff and a representative of the California Trucking Association assisted in the development of the record.

The general manager of The Akron testified that Akron carries between 7000 and 8000 articles, many of which are imported from various countries throughout the world. Approximately 98% of the merchandise is received at its warehouse located at Sun Valley, where it is processed and distributed to its retail stores. The manager also testified that the San Jose retail store referred to in the application is actually located at Santa Clara, and that the official name of his company is The Akron. He stated that both stores have been very successful. He also testified that as a result of experience gained in operations conducted pursuant to Decisions Nos. 71500 and 73214 he requested that applicant seek various amendments to the deviation as set forth in paragraph IX of the amended application. The witness further testified that retail sales will fluctuate because of various reasons including weather and season; because of this he requested applicant to seek a minimum of 70 shipments for each 90-day period rather than the

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minimum of 28 shipments per month as now set forth in Decision No. 73214. The witness also testified that occasionally it is necessary to return damaged merchandise and merchandise which does not sell to the warehouse, and he therefore requested that the relief apply to southbound shipments also. He also stated that on rare occasions there is not sufficient freight to fill two trailers and only one trailer is sent to San Francisco or Santa Clara and he therefore requested that only 1/2 of the \$231.75 apply to such shipments when combined with a truckload of freight for another shipper. The \$231.75 would be assessed when a single trailer does not move in combination with a trailer load of freight for another shipper. The witness further testified that if the relief is not granted it would be necessary for his company to consider proprietary trucking.

The vice-president of Ragus Trucking testified that the operations performed pursuant to the conditions set forth in Decisions Nos. 71500 and 73214 have been profitable. The witness also testified that applicant will continue to transport sugar from Crockett to Vernon on the return haul except in those instances when Akron has merchandise returning from its San Francisco or Santa Clara stores to its warehouse. The witness submitted cost studies setting forth actual costs of the operations. (Exhibit C, attached to the application and Exhibit 1.) The exhibits disclose that the costs are approximately \$50 less than the proposed charge of \$231.75 per load. The cost studies do not disclose what the situation would be in the instances when one trailer would be combined with the freight of another shipper, nor does the record reveal what the total revenue would be for such a movement. The Commission has consistently held in applications seeking deviations from minimum rates that a showing that the proposed rates will exceed

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the costs of providing the service is indispensable to the requisite finding that the proposed rates are reasonable.^{1/} Such a showing has not been made for the single trailer shipments which are to be combined with freight of another shipper.

With respect to the remainder of the application it is clear that in order to be fully compensatory applicant must have a southbound haul as was the case in Application No. 48636. Applicant is still assured of its southbound movement of sugar and in addition thereto will occasionally transport shipments southbound for The Akron.

The representative of California Trucking Association in a closing statement requested that the authority be denied based upon an inadequate showing.

Based on the evidence adduced the Commission finds that:

1. The proposed rate of \$231.75 will be compensatory.
2. The proposed rate of \$231.75 is reasonable and justified.
3. Applicant has not shown that 1/2 of \$231.75 would be compensatory in the instances proposed.

The Commission concludes that the sought authority should be granted as set forth in the ensuing order. The effective date of the order which follows should coincide with the expiration date of the authority granted by Decision No. 73214. As conditions may change, the authority should be limited for a period of one year.

O R D E R

IT IS ORDERED that:

1. Ragus Trucking Inc., a corporation, is authorized to transport "Freight, all Kinds", for The Akron between the Sun Valley

1/ Paper Transport, 63 Cal.P.U.C. 690.

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warehouse of said company, on the one hand, and the retail stores of said company located at San Francisco and Santa Clara, on the other hand, at rates less than the minimum rates set forth in Minimum Rate Tariff No. 2, but in no event lower in volume or effect than the charges and conditions set forth in Appendix A, attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire on February 28, 1969.

The effective date of this order shall be March 1, 1968.

Dated at San Francisco, California, this 14th day of FEBRUARY 1968.

[Signature]
President
[Signature]
[Signature]
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Commissioners

APPENDIX A
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APPLICATION OF CHARGES

Carrier: Ragus Trucking, Inc.

Shipper: The Akron

Commodity: Freight, all kinds, except commodities listed in Note 5.

Charge: \$231.75 per load, in carrier's single unit of equipment.

Minimum Charge: The charge for 70 loads during each of the following periods.

1. March 1, 1968 to May 31, 1968
2. June 1, 1968 to August 31, 1968
3. September 1, 1968 to November 30, 1968
4. December 1, 1968 to February 28, 1969

Between: The Akron Warehouse, 9175 San Fernando Road, Sun Valley, California, on the one hand;

And: The Akron Retail Store, 2490 Mason Street, San Francisco, California;

and/or

The Akron Retail Store, 3951 Stevens Creek Road, Santa Clara, California, on the other hand.

Conditions:

- Note 1. Single unit of equipment means a tractor and one or two 27-foot van-trailers moving in combination, as a single unit.
- Note 2. Akron must perform loading at origin and unloading services at destination, and lading to move under Akron's seal, subject to Akron's load and count.
- Note 3. In the event the two vans comprising a single unit of equipment are dropped or picked up one at Santa Clara and one at San Francisco, an additional charge of \$20.00 will be assessed.

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Note 4. If as a result of causes beyond the control of either shipper or carrier such as fire, strike, lockout or acts of God, the service to one or both stores is interrupted, the minimum charge shall be in proportion to the number of days service is provided.

Note 5. Charges will not apply when any of the following articles are included in the lading:

Animals, live

Articles, described under Rule 780 of the National Motor Freight Classification A-9.

Bulk Commodities

Coal and Coke

Dangerous Articles, as defined in Minimum Rate Tariff No. 2.

Game, live

Ice

Missiles, guided, or Rockets, guided; Guidance Systems or Electronic Guidance Control Apparatus for installation in missiles or in missile section; Missile or Rocket Frame Assemblies containing electronic apparatus, or Mobile Missile Guidance Control Systems.

Pigeons, live

Poultry, live

Sugar

United States Mail of any class