

ORIGINAL

Decision No. 19732.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

WESTERN CATTLE MARKETING ASSOCIATION, )  
 J. A. BICKFORD, F. H. SCOTT, )  
 )  
 ) Complainants, )  
 )  
 ) vs. )  
 )  
 ) SOUTHERN PACIFIC COMPANY, )  
 )  
 ) Defendant. )

Case No. 2424.

Edison Abel and John Curry, for Complainants.

J. E. Lyons and A. L. Whittle, for Defendant.

Edison Abel, for California Farm Bureau Federation,  
Intervener.

John Curry, for California Cattlemen's Association  
and California Wool Growers' Association,  
Interveners.

BY THE COMMISSION:

O P I N I O N

Complainants are two individuals and a corporation engaged in the live stock business. By complaint filed October 5, 1927, they allege that the rates applicable on feeder cattle, car-loads, between White Rock, Folsom and Roseville on the one hand and Truckee on the other hand are unreasonable, unjustly discriminatory and unduly prejudicial.

Reasonable rates for the future are sought. The rates will be stated in amounts per 36-foot car.

A public hearing was held at San Francisco January 25,

1928, before Examiner Geary, and the case having been duly submitted is now ready for our opinion and order.

White Rock and Folsom are on the Placerville branch of the Southern Pacific, 29 and 23 miles from Sacramento, and 143 miles and 137 miles respectively from Truckee. Roseville is on the main line 18 miles east of Sacramento and 102 miles west of Truckee.

Complainants aver that the local rates in each direction on their feeder cattle are unreasonable, discriminatory and prejudicial by comparison with the round-trip rates on feeder cattle in effect between points in the State of Nevada, also from points in Nevada to California and return to Nevada, which rates are lower than twice the one-way rates. They testified that cattle moved annually to Truckee for feeding and fattening during the summer months, that from 20 to 25 per cent. of these cattle are not returned to the point of origin but are sold either for local consumption or for shipping to San Francisco, and that during the past few years the greater portion of the cattle from White Rock have been driven to and from the summer ranges because this method proved less expensive than shipping by railroad. Exhibits were introduced showing the number of head of live stock in certain states, the volume in carload movements over defendant's line during the years 1921 to 1926 inclusive, and comparative statements of rates on feeder cattle and feeder sheep, together with round-trip rates on feeder cattle between the various points in Nevada and California. None of the rates set forth in the exhibits are applicable in the territory under attack, and although the earnings are lower per car mile they afford no material proof in determining the issues in this proceeding.

Witness for defendant introduced an exhibit illustrative of the physical characteristics of the territory between White Rock and Truckee and testified that the operating conditions over

its lines between these points are very severe due to the fact that there is an ascending grade for about 80% of the distance, reaching a maximum of 2.6% at Blue Canyon, which requires two locomotives to handle trains consisting of from 40 to 50 cars each, whereas the same motive power will handle trains varying from 120 to 150 cars each on level track.

A witness for defendant testified that the round-trip feeder cattle rates applicable between points in Nevada and between Nevada and California were established many years ago on a very low basis in order to meet an emergency existing at that time, the stockmen being unable to obtain feed in the Nevada territory and losing large numbers of cattle due to the severe drought prevailing during that particular season.

The record shows that in recent years most of the stock moved from Nevada to California under the round-trip rates did not return to Nevada as originally contemplated but was shipped direct to markets from the California feeding grounds. There has been a very light movement under the round-trip rates for many years past and no movement at all during the year ending June 30, 1927. Practically all of the interstate rates have recently been cancelled. The one-way rates on feeder cattle between Truckee on the one hand, and on the other Roseville, Folsom and White Rock, are \$45.00, \$54.50 and \$49.50 respectively. The two former are standard distance rates, employed by all large railroads in California, and these particular rates are shown in Section D of Southern Pacific Company's Tariff 645-D, C.R.C. 3118; and the White Rock rate is a specific commodity rate applicable in each direction as shown in Item 1220 of the same tariff.

The usual basis for constructing rates on feeder cattle in California is 85% of the contemporaneously applicable rates on fat stock. A similar basis was prescribed by the Interstate Commerce Commission, in American National Livestock Association vs.

Southern Pacific Company, 26 I.C.C. 37 and 30 I.C.C. 438, and this basis has been observed in making the rates between Roseville and Folsom on the one hand and Truckee on the other hand; however, the feeder cattle rate between Truckee and White Rock, the point where the largest number of head of live stock originates, is 76.8% of the fat cattle rate, said rate being \$64.50. The fact that lower rates were in effect in certain territory not shown to be competitive does not warrant a finding that the assailed rates are discriminatory. No evidence with respect to a competitive situation is disclosed by the record, and the allegations of unjust discrimination and prejudice are not sustained.

Rates to feeder stations and return to point of origin less than twice the one-way rates fall under the category of transit privileges, and neither this Commission nor the Interstate Commerce Commission will ordinarily require carriers to extend feeding in transit privileges unless it be upon proof of unlawful discrimination, and each case must be determined according to the facts, circumstances and conditions presented. There is no showing that the rates in and of themselves are unreasonable.

Upon all the facts of record we find that the rates at issue are not shown to be either unreasonable, unjustly discriminatory or unduly prejudicial. The complaint will be dismissed.

#### O R D E R

This case being at issue upon complaint and answer on file, having been duly heard and submitted by the parties, full investigation of the matters and things involved having been had, and basing this order on the findings of fact and the conclusions contained in the opinion, which said opinion is hereby referred

to and made a part hereof,

IT IS HEREBY ORDERED that the complaint in this proceeding be and the same is hereby dismissed.

Dated at San Francisco, California, this 9<sup>th</sup> day of May, 1928.

Leon Whitell  
Chas. Henry  
Emmery Scott  
Thos. J. Barrett  
M. J. Con  
COMMISSIONERS.