

Decision No. 18955.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
SOUTHERN PACIFIC COMPANY, for an or-)
der authorizing cancellation of cer-)
tain so-called bridge routes over)
the Central California Traction Com-)
pany and over the San Francisco-Sacra-)
mento Railroad Company in connection)
with Southern Pacific Company.)

Application No. 14399.

In the Matter of the Application of)
R. W. GOMPH, as Agent, for an order)
authorizing cancellation of certain)
so-called bridge routes over the Cen-)
tral California Traction Company and)
over the San Francisco-Sacramento)
Railroad Company in connection with)
Southern Pacific Company.)

Application No. 14400.

J. E. Lyons, for Applicants.

James S. Moore, Jr., and C. S. Dooling, for Western
Pacific Railroad Company, and San Francisco-
Sacramento Railroad Company.

BY THE COMMISSION:

O P I N I O N

These applications present similar issues, and having
been heard on a single record, will be disposed of in one opinion.
and order.

Application No. 14399 was filed by the Southern Pacific
Company, and Application No. 14400 by R. W. Gomph, Agent, Pacific
Freight Tariff Bureau, under Section 63 of the Public Utilities Act
for permission to cancel from tariffs enumerated in Exhibit "A" at-
tached to the petitions and made a part thereof, the joint arrange-
ments whereby the Central California Traction Company and the San

San Francisco-Sacramento Railroad Company are permitted to operate as bridge carriers and handle traffic moving between points both of which are located on the Southern Pacific Company. The items to be cancelled from the tariffs read as follows:

- (a) Rates between points on the lines of the Southern Pacific Company or connections, south of Stockton, Cal., on the one hand, and on the other hand, points on or reached via the Southern Pacific Company beyond Sacramento or Polk, Cal., via the Central California Traction Company as a bridge line between Stockton, Cal., on the one hand, and Sacramento or Polk, Cal., on the other.
- (b) Rates between points on the lines of the Southern Pacific Company or connections, south of McAvoy, Cal., on the one hand, points on or reached via the Southern Pacific Company beyond Sacramento, Cal., via San Francisco-Sacramento Railroad as a bridge line between McAvoy, Cal., on the one hand, and Sacramento, Cal., on the other.

Authority is also desired because the elimination of the items from the many tariffs requires the printing of a large number of supplements, where there is not now under tariff rules sufficient supplemental space left for that purpose, to make the cancellation by the publication of script items reading as follows:

- (a) All rates named in tariffs and as amended applicable via the Central California Traction Company as an intermediate carrier between Stockton, Cal., and Sacramento or Polk, Cal., on traffic which is both received from and delivered to the Southern Pacific Company, are hereby cancelled. Combination rates will apply.
- (b) All rates named in tariff and as amended applicable via the San Francisco-Sacramento Railroad as an intermediate carrier between McAvoy, Cal., and Sacramento, Cal., on traffic which is both received from and delivered to the Southern Pacific Company, are hereby cancelled. Combination rates will apply.

The applications set forth that the cancellation of the joint rates via the so-called bridge routes will not change existing freight rates because via the remaining routes available to shippers the rates are the same as those via the routes sought to be cancelled.

A public hearing was held at San Francisco before Examiner Geary May 29, 1928, and the proceedings having been submitted and briefed are now ready for our opinion and order.

The testimony shows that the establishment of these joint rates was put into effect in 1922 in connection with the Central California Traction Company and in 1923 in connection with the San Francisco-Sacramento Railroad, for the purpose of permitting the short line railroads to handle some of the tonnage between points both of which are exclusive and local to the Southern Pacific Company; in other words, where the points of origin and destination are on the rails of the Southern Pacific and can be handled without the services of the intermediate short line carriers, such as a movement from Red Bluff to San Francisco. At the time the rates were published the Central California Traction Company and the San Francisco-Sacramento Railroad were in financial difficulties and this plan was perfected to render a necessary assistance, and the short line carriers at the time reciprocated by routing via the Southern Pacific certain competitive traffic. Since the rates were published, however, conditions have changed, and the Central California Traction Company is now owned jointly by the Southern Pacific, The Atchison, Topeka and Santa Fe, and the Western Pacific, while the San Francisco-Sacramento Railroad is controlled by the Western Pacific interests. The Western Pacific recently announced that it proposed to consolidate the San Francisco-Sacramento with the Sacramento Northern and operate the two electric lines as one system. The Central California parallels the Southern Pacific between Sacramento and Stockton and the San Francisco-Sacramento between Sacramento and McAvoy, although the distance via both the bridge lines is somewhat greater than the mileage by the Southern Pacific direct.

The record shows that movements via the route to be cancelled involve difficult and unnecessary switching at Sacramento,

Stockton and McAvoy, and exhibits were introduced showing that because of this indirect and roundabout service there was over a period of 18 months an excess of approximately 2,100 car days and an excess of approximately 33,000 car miles.

The routes now operated cannot be defended from a transportation viewpoint, and the mere fact that at the time of their establishment these carriers required additional tonnage and revenue is not of itself sufficient justification for the unreasonable and unnecessary additional routes.

There were no appearances in opposition from any shipper or shippers' organization, neither was there an appearance on behalf of the Central California Traction Company. The San Francisco-Sacramento Railroad and the Western Pacific appeared as protesting parties but introduced no controlling reasons why the applications should not be granted. They contented themselves with reference to the revenues which might be taken away from the short lines. In view of the fact however that these short lines are now protected by their affiliations with the strong trunk-line owning companies competing with the Southern Pacific, the motives prompting the publication of the joint rates in the first place have disappeared. The record is clear that the inclusion of the Central California Traction Company and the San Francisco-Sacramento Railroad Company in the routes involving transportation originating and terminating on the rails of the Southern Pacific can benefit no shipper, but their continuance will result rather in inefficient and uneconomical operations upon which we will not place our stamp of approval. The applications should be granted.

O R D E R

This application having been duly heard and submitted, 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 is hereby referred to and made a part hereof,

IT IS HEREBY ORDERED that the Southern Pacific Company, and F. W. Gomph, Agent for carriers parties to Pacific Freight Tariff Bureau, be and they are hereby authorized to cancel the routing rules contained in the tariffs and as more fully set forth in the applications.

Dated at San Francisco, California, this 29th day of June, 1928.

C. Deane

E. M. ...

Paul D. ...

M. A. ...
Commissioners.