

Decision No. 20078.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN PACIFIC COMPANY for)
order authorizing cancellation of)
less carload rate on iron and steel)
articles between San Francisco,)
Oakland, Alameda and Richmond and)
Tolenas, California.)

Application No. 14472.

ORIGINAL

- A. L. Whittle and H. W. Klein, for applicant.
- E. G. Wilcox, for Oakland Chamber of Commerce.
- C. A. Teutschel, for Sacramento Chamber of Commerce.

BY THE COMMISSION:

O P I N I O N

This is an application filed by the Southern Pacific Company under Section 63 of the Public Utilities Act of the State of California for permission to cancel from its Tariff 730-C, C.R.C. 2904, Item 4700-I, the commodity rate of 14 cents per 100 pounds on iron and steel articles, less than carload, applicable between San Francisco, Oakland and Alameda on the one hand and Tolenas on the other hand.

The applicable rates after cancellation of the commodity rate will be the minimum scale of class rates ranging from 15 cents to 25 cents per 100 pounds as shown in Southern Pacific Company's Tariff 917-C, C.R.C. 2929.

A public hearing was held at San Francisco before Examiner Geary and the proceeding is now ready for an opinion and order.

At the hearing representatives of the Oakland Chamber

of Commerce and Sacramento Chamber of Commerce intervened.

Applicant's witness testified that the rate sought to be cancelled was established December 6, 1911, to meet potential water competition and to comply with a request of the Pacific Portland Cement Company, a corporation operating a cement manufacturing plant at Tolenas. That corporation recently discontinued operations at Tolenas and had advised applicant, under date of October 10, 1927, that it would offer no objections to the proposed cancellation. He also testified that the haul between the points involved was very expensive due to the necessity of transferring cars across Carquinez Straits, that the proposed class rates are reasonable, and furthermore, that less than carload shipments of iron and steel articles moving between practically all other points in California are subject to the class rates.

The representative of the Oakland Chamber of Commerce objected to the proposed cancellation, principally upon the grounds that the rate at issue is being assessed on shipments of iron and steel articles to Oleum, Suisun-Fairfield and other points intermediate to Tolenas.

A representative of the Sacramento Chamber of Commerce testified that hardware merchants at that point desiring to sell goods in the Suisun-Fairfield district found a disadvantage since the freight charges applicable on their shipments are based on the minimum scale of class rates ranging from 15 cents to 25 cents per 100 pounds, whereas merchants at a greater distance, located at San Francisco and Oakland, can ship to the same point under the present commodity rate of 14 cents per 100 pounds, thus creating a disparity in rates unduly discriminatory to Sacramento.

The distances from San Francisco, Oakland and Sacramento to Suisun-Fairfield are 49, 45 and 39 miles, respectively. There

does not appear to be any compelling reason or necessity for maintaining a lower rate from the more distant points and the proposed changes would do away with preferences and discriminations which now favor San Francisco and Oakland.

The records show there is a heavy movement of iron and steel articles under the present 14-cent rate to Oleum, Crockett and Port Costa, and that these points are on San Pablo Bay and are served by water carriers in addition to the rail services of applicant. It was stipulated by a witness for the Southern Pacific Company that a rate of 14 cents per 100 pounds would be established from San Francisco and Oakland to Port Costa and points intermediate thereto to meet this water carrier competition.

Upon consideration of all the facts of record we are of the opinion and find that the applicant should be permitted to cancel the commodity rate as set forth in the petition and publish in lieu thereof a less than carload rate of 14 cents per 100 pounds from San Francisco and Oakland to Port Costa on iron and steel articles as described in Item 4700-series of Southern Pacific Company's Tariff 730-C, C.R.C. 2904.

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 application of the Southern Pacific Company be and the same is hereby authorized, and applicant is permitted to cancel the less than carload rate

named in Item 4700-series of Southern Pacific Company's Tariff
730-C, C.R.C. 2904, and publish the proposed rate referred to in
the opinion preceding this order, which said opinion is made a
part hereof.

Dated at San Francisco, California, this 2nd day
of August, 1928.

Leon Whiteley

Thomas D. Lovell

M. A. Cum
Commissioners.