

Decision No. 20582.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

CONSUMERS FEED AND FUEL COMPANY,
WESTERN HAY AND GRAIN COMPANY,
Complainants,

vs.

THE ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY,
LOS ANGELES & SALT LAKE RAILROAD
COMPANY,
SOUTHERN PACIFIC COMPANY,
Defendants.

Case No. 2489.

ORIGINAL

CONSUMERS FEED AND FUEL COMPANY,
WESTERN HAY AND GRAIN COMPANY,
Complainants,

vs.

THE ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY,
LOS ANGELES & SALT LAKE RAILROAD
COMPANY,
SOUTHERN PACIFIC COMPANY,
SUNSET RAILWAY COMPANY,
Defendants.

Case No. 2528.

F. W. Turcotte and B. H. Carmichael, for complainants.
E. W. Camp and Berne Levy, for The Atchison, Topeka
and Santa Fe Railway Company, defendant.
Fred E. Pettit, Jr., and J. P. Quigley, for Los An-
geles & Salt Lake Railroad Company, defendant.
J. W. Lyons, for Southern Pacific Company and Sunset
Railway Company, defendants.

BY THE COMMISSION:

O P I N I O N

Complainants are corporations engaged in the general
hay, grain, feed and fuel business. In Case No. 2489, as amended.

at the hearing, it is alleged that the rates assessed by defendants for the transportation of hay, in carloads, from Brentwood, Byron, Tracy, Sacramento, Tranquility, San Joaquin, Caldwell, Riverdale, Lanare, Lokern, Goshen Junction, Tagus, Quail, McFarland, Farmersville, Lerdo, Saco, Wible Orchard, Gosford, Visalia, Alpauah, Shafter, Calipatria, Westmorland, Brawley and Calexico to Hynes have been in the past, are now, and for the future will be, unjust and unreasonable, in violation of Section 13 of the Public Utilities Act. The same allegations are made in Case No. 2528 with respect to the rates on hay, in carloads, from Yarmouth, Ker-man, Burrel, Chowchilla, Storey, Guernsey, Corcoran, Loma, Wau-kena, Blanco, Stoil, Pond, Elmo, Wasco, Rosedale, Tulare, Slater, Strader, Magunden, King City, Soledad, Elsa, Shamrock and El Centro to Hynes.

Reparation and rates for the future are sought. Rates will be stated in cents per 100 pounds.

Public hearings were held before Examiner Geary at Los Angeles on June 6th and 7th, 1928, and the proceedings having been duly submitted and briefs filed, are now ready for an opinion and order. By stipulation both cases were heard upon a common record and will be disposed of in one decision.

Hynes is located on the Los Angeles and Salt Lake Railroad, hereafter referred to as the Salt Lake Line, 18 miles south of Los Angeles in the heart of a dairy district. Approximately 3000 to 4000 tons of hay are consumed each month in this district, and as there is little or no local production the supply is obtained from other localities in California and adjacent states, and moves to Hynes both by rail and automobile truck.

The points of origin here under consideration are situated in the Sacramento, San Joaquin, Salinas and Imperial Valleys, on The Atchison, Topeka and Santa Fe Railway or Southern Pacific

Company, hereinafter referred to as the Santa Fe and Southern Pacific respectively. There are no through published hay rates to Hynes from the origin territory here involved, the rates being made combination over Los Angeles, using the local rates of the Santa Fe or the Southern Pacific as the case may be, to Los Angeles, plus the Salt Lake Line's local rate of 5 cents from Los Angeles to Hynes. The present rate on hay to Hynes from the Sacramento Valley and the northern portion of the San Joaquin is 40½ cents, from the Salinas Valley 33 cents, from the Imperial Valley 30 cents, and from the central and southern San Joaquin Valley points the rates range from 26½ cents to 33 cents. These rates were assessed on complainants' shipments, and for the most part reflect a group or blanket adjustment of rates which have been in effect for a number of years.

The major portion of complainants' shipments, consisting of 413 cars of alfalfa hay loaded to an average weight of 27,833 pounds, moved directly from point of origin to Hynes, while a few cars moved to Los Angeles and were subsequently reconsigned or rebilled to Hynes. The value of the hay was approximately \$22.25 per ton for standard alfalfa and \$19.50 per ton for No. 2 alfalfa.

Complainants contend that in view of the length of hauls here involved, ranging from 177 to 459 miles, they are justly entitled to rates less than the full combination of locals. From the Sacramento Valley and the northern part of the San Joaquin Valley they advocate a rate of 35½ cents, which is the same as the Los Angeles rate, and from the other points of origin they claim the rates to Hynes should not exceed 2½ cents over the rates contemporaneously in effect to Los Angeles.

Complainants refer to joint class and commodity rates now maintained by defendants from or to Hynes and between various

other points in California lower than the full combination of local rates, and compare the rates assailed with those on hay maintained for joint line movement between points in California and from points in Nevada to points in California. However the rates employed for comparative purposes largely reflect those published by carriers to meet via the longer joint routes the rates contemporaneously in effect via the direct line or route, and for that reason these comparisons cannot be used as a measure for the rates here at issue.

An exhibit was also presented by complainants, showing rates prescribed by the Oregon and Arizona Commissions for intrastate application within those states, and by the Interstate Commerce Commission from Phoenix, Glendale and Safford, Arizona, to Hynes; between points in Oklahoma and Texas common points territory, and between points in South Dakota, Minnesota, Nebraska, Iowa, Illinois and Wisconsin for single and joint line hauls. With the exception of the rates from Arizona to Hynes they do not urge the use of these rates as a measure for reasonable rates on hay in California, but do contend that the exhibit indicates that the differential between a single and joint line haul should be less than the existing spread as between the Los Angeles and Hynes rates.

Defendants claim that regardless of the method employed in constructing the present rates, they are not in and of themselves unreasonable, but on the other hand are on an abnormally low basis, yielding a per car mile revenue considerably less than that of other comparatively low grade commodities. The following table compiled from defendants' exhibit is illustrative:

Commodity	From	To	Miles	Rate in Cents	*Car Mile Earnings
Hay	Sacramento	Hynes	459	40 $\frac{1}{2}$	25.8 cents
Grain	Brentwood	Downey	433	32 $\frac{1}{2}$	58.7 "
Cement	Davenport	Montague	432	30	61.6 "
Lumber	Madera	Coachella	431	43	55.0 "
Hay	Visalia	Hynes	262	30	51.5 "
Grain	Visalia	Downey	263	28 $\frac{1}{2}$	84.7 "
Cement	Colton	Delano	258	23	79.1 "
Lumber	Madera	Saugus	267	25	51.6 "
Hay	King City	Hynes	320	33	28.4 "
Grain	King City	Downey	321	29	70.6 "
Cement	Davenport	Redding	315	26	73.2 "
Lumber	Placerville	Bakersfield	326	35	59.1 "
Hay	Calexico	Hynes	239	30	34.5 "
Grain	Calexico	Downey	240	28	91.3 "
Cement	Colton	Bakersfield	226	22 $\frac{1}{2}$	88.3 "
Lumber	Madera	Palmdale	230	25	59.9 "

*In computing the car mile earnings the average loading of the commodities on the Southern Pacific in 1927 has been used, viz., hay 27,500 lbs.; grain 72,200 lbs.; cement 88,700 lbs. and lumber 55,100 lbs.

Defendants also compare the rates here under attack with the joint rates on hay applicable from the Imperial, San Joaquin and Salinas Valleys to various points in California, which latter rates are generally higher than those here at issue, and also compare them with higher rates prescribed by the Interstate Commerce Commission from Glendale, Arizona, to points in New Mexico; between Oklahoma and Arkansas and Texas differential territory; between Natchez, Mississippi and points in Western Louisiana, and from points in South Dakota to points in Minnesota, Nebraska, Iowa, Illinois and Wisconsin. With respect to the rate of 35 $\frac{1}{2}$ cents from Phoenix, Arizona, to Hynes, referred to by complainants, they contend its establishment was governed by a depressed rate from Phoenix to El Paso, Texas, then in effect, as it has been the practice for many years to use the rates between the latter two points as a measure for the rates from

Phoenix to Southern California points.

Complainants in endeavoring to show the assailed rates unreasonable, rely upon the fact that they are based upon the full combination of local rates over Los Angeles, and in proposing joint rates predicated on these to the junction point they have obviously assumed that the latter are reasonable per se, but the record does not affirmatively bear out this assumption. There is no showing on this record that the total rates and charges from points of origin to Hynes are excessive or unreasonable, in violation of Section 13 of the Public Utilities Act, and therefore the rates cannot be condemned merely upon the grounds that they are a full combination of the locals.

After careful consideration of all the facts of record we are of the opinion and so find that the assailed rates are not unjust and unreasonable. The complaint will be dismissed.

There is now before the Commission a general investigation, Case No. 2598, instituted on our own motion for joint hearing with the Interstate Commerce Commission, to determine whether or not the intrastate rates on hay in California are unreasonable, unjustly discriminatory, prejudicial or preferential or otherwise unlawful. Our findings herein are without prejudice to any conclusion which may be reached upon a more comprehensive record in Case No. 2598.

O R D E R

This case being at issue upon complaint and answers on file, full investigation of the matters and things involved having been had, and basing this order on the findings of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that the above entitled proceedings be and they are hereby dismissed.

Dated at San Francisco, California, this 13th day of December, 1923.

Leon Whalley

W. A. ...

Edward ...

Thos. ...

W. A. ...
Commissioners.