

Decision No. 20717.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of )  
SOUTHERN PACIFIC COMPANY )  
for permission to publish routing )  
restriction in connection with cer- )  
tain rates on forest products. )

Application No. 15098.

H. H. McElroy and A. I. Hoskins, for applicant.

A. Larsson, for California Pine Box Distributors,  
Haslett & Merguire Shook Company and Larsson  
Traffic Service, protestants.

L. N. Bradshaw and J. D. Mansfield, for Western  
Pacific Railroad Company, protestant.

BY THE COMMISSION:

O P I N I O N

This is an application by the Southern Pacific Company for permission to specifically restrict the routing in connection with rates on forest products from Adelaide and Oroville on the Western Pacific Railroad Company, hereinafter referred to as the Oroville group, and from Graeagle, Gulling, Loyalton, Hawley, Calpine and Doyle on the Western Pacific Railroad Company, hereinafter referred to as the Graeagle group, to Sacramento on the Southern Pacific Company as shown in Index 4140, pages 55 and 69 of Supplement No. 10 to Pacific Freight Tariff Bureau Tariff 42-K, C.R.C. 418, to provide that such rates now applying via Marysville will apply via Marysville thence via Roseville only.

Rates will be stated in cents per 100 pounds.

A public hearing was held before Examiner Geary at San

Francisco October 26, 1928, and the matter having been submitted is now ready for an opinion and order.

The present rate on forest products from the Oroville and Graeagle groups on the Western Pacific Railroad Company to Sacramento is 14 cents as published in Index 4140, page 55 of Supplement 10 to Pacific Freight Tariff Bureau Tariff 48-K, C.R.C. 418. This rate applies via Western Pacific Railroad Company, Marysville, thence Southern Pacific Company.

Applicant contends that under the intermediate application rules of the line-haul tariff the 14-cent rate applies, in so far as the movement over the rails of the Southern Pacific Company is concerned, via Roseville only, and that the publication of the specific routing restriction for which authorization is requested is merely for the purpose of tariff clarification.

The intermediate application item published in Pacific Freight Tariff Bureau Tariff 48-K, C.R.C. 418, relied upon to restrict the rate to apply via Roseville only, reads as follows:

"Except as otherwise specifically provided in connection with individual rates, rates named herein will, in the absence of specific commodity rates apply to directly intermediate points on the same line."

It is applicant's contention that the term "directly intermediate points" comprehends only those intermediate points via the direct or short line route. Protestants on the other hand contend that rates in Pacific Freight Tariff Bureau Tariff 48-K, C.R.C. 418, for that portion of the haul over the Southern Pacific Company are governed by the provisions of Southern Pacific Company Circular 199-E, C.R.C. 2711, and that this circular provides in Item 430-D that rates between Marysville and points north on the one hand and Sacramento on the other will apply either via Roseville or via Yuba City and Woodland. We agree with the latter interpretation of the applicable tariffs.

Protestants also contend that the routing now employed is a logical route on traffic between the territory involved and that certain class and commodity rates between points north of Marysville and Sacramento so apply. They further contend that the 14-cent rate applicable at intermediate points between Marysville and Sacramento via Yuba City and Woodland is a reasonable rate and should not be increased through the proposed routing restriction.

The present rate on forest products from the Oroville and Graeagle groups on the Western Pacific Railroad to Sacramento on the Southern Pacific Company of 14 cents was originally established in 1923 as part of a general adjustment which applicant states was intended to place the Western Pacific mills, located in the Graeagle group, on a rate parity at Sacramento with the competing mills on the Southern Pacific Company located in the Truckee-Westwood group.

Applicant claims that the publication of the rates without restricting the routing to the Roseville line was the result of a tariff error, and in support of this statement refers to the present rate of 11 cents on forest products applying via the Southern Pacific Company from Oroville and Chico to Sacramento and also to rate of 14 cents from Weed, Dorris and related points to Sacramento, both of which rates are specifically restricted to apply only via the Roseville line.

The testimony of applicant's witness in going into the history of the 14-cent rate on forest products from these lumber producing sections to Sacramento shows that the publication of the rate from Western Pacific Railroad Company mills located in the Gra-

eagle group did not involve a consideration of reasonableness but was intended to meet the competitive situation existing at Sacramento. In placing the various lumber producing sections served by both the Southern Pacific and Western Pacific on an equality, the 14-cent rate was blanketed over a considerable territory. Application of the 14-cent rate via Yuba City and Woodland breaks down the Southern Pacific normal local rates at such intermediate points as Knights Landing, Woodland and Davis, an adjustment certainly not intended when the joint rates with the Western Pacific were published. The circumstances in our opinion warrant the restricting of the routing so as to avoid the application of the rate at points not directly intermediate via the short line route.

After consideration of all the facts of record we are of the opinion and find that the proposed restriction in routing in connection with rate of 14 cents on forest products from the Oroville and Graeagle groups on the Western Pacific Railroad Company to Sacramento on the Southern Pacific Company is justified and should be authorized.

#### 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 instant application of the Southern Pacific Company be and the same is hereby authorized and that applicant be permitted to restrict the routing in connection with rate of 14 cents on forest products from Adelaide, Oroville, Graeagle, Gulling, Loyalton, Hawley, Calpine and Doyle on

the Western Pacific Railroad Company to Sacramento on the Southern Pacific Company to apply for that portion of haul over applicant's line from Marysville to Sacramento via Roseville only.

Dated at San Francisco, California, this 25<sup>th</sup> day of January, 1929.

Thos B. Lovell

Albany

Ernesto

Leon Whitall

W. A. Van

Commissioners.