

Decision No. 22473.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SACRAMENTO NORTHERN RAILWAY for an )  
 order authorizing cancellation of )  
 certain tariff provisions covering )  
 absorption of marine insurance, and )  
 spur track delivery charges at San )  
 Francisco on traffic transported )  
 jointly with Sacramento River )  
 steamers. )

**ORIGINAL**

Application No. 16820.

L. N. Bradshaw, for the applicant.

W. E. Metson, for the California Transportation Company, protestant.

Sanborn, Roehl, Smith & Brookman, by Harvey Sanborn, for the Sacramento Navigation Company, protestant.

E. G. Wilcox, for the Oakland Chamber of Commerce, interested party.

BY THE COMMISSION:

O P I N I O N

This is an application under the provisions of Section 63 of the Public Utilities Act, by the Sacramento Northern Railway for permission to cancel Item 110-B original page 6-A Sacramento Northern Local Terminal Tariff 5-B, C.R.C. 24, and Item 50 second revised page 6 Sacramento Northern Joint Freight Tariff 40-B, C. R.C. 26, applying at San Francisco. Item No. 110-B provides for the absorption of marine insurance in connection with certain carload traffic, and Item No. 50 for the absorption of the actual cost but not exceeding 50 cents per ton of the delivery charges

against carload shipments destined to warehouses, industries and wharves served by the State Belt Railroad, Southern Pacific and Atchison, Topeka and Santa Fe.

Appearances were entered by representatives of the Oakland Chamber of Commerce, the California Transportation Company and the Sacramento Navigation Company, but only the Oakland Chamber of Commerce presented any testimony.

A public hearing was held at San Francisco before Examiner Geary February 17, 1931, and the proceeding having been duly submitted is now ready for our opinion and order.

These absorption items which apply via Sacramento Northern Railway, California Transportation Company and Sacramento Navigation Company were established many years ago at a time when applicant had practically no joint arrangements with connecting rail carriers for the handling of freight to and from San Francisco, and the rates were published to meet the rates of the all-rail carriers which had direct switching facilities into the territory. The application and the testimony showed that the compelling conditions existing at the time the practices were established have long since disappeared, that the absorptions are not made by the common carrier steamers when the tonnage moves entirely by water nor is it made over other joint rail and steamer routes into San Francisco; that the procedure is not proper or customary in connection with transportation of this character; that the practice results in short-hauling applicant's all-rail route; and that the practice violates the provisions of Section 19 of the Public Utilities Act inasmuch as the rules create discrimination because they do not apply via barge to ship-side at San Francisco; nor is any absorption made in the Oakland district or at any of the other San Francisco Bay communities.

The representative from the Oakland Chamber of Commerce urged that similar privileges should be extended to Oakland if they are not cancelled at San Francisco.

The amounts entering into the absorptions involved are nominal and practically all accrue in connection with interstate commerce.

The items deal with accessorial services and under the present traffic agreements applicant furnishes the completed services under joint rates via its own long haul rail lines. The present practice has not been justified, and the application should be granted in the interest of carriers and shippers.

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 precedes this order,

IT IS HEREBY ORDERED that the Sacramento Northern Railway be authorized to cancel Item 110-B, Tariff C.R.C. No. 24, which provides for the absorption of marine insurance, and Item 50, Tariff C.R.C. No. 26, which provides for the absorption of delivery charges, both items applying to carloads at San Francisco.

IT IS FURTHER ORDERED that this order shall take effect on March 31, 1931, upon the filing of proper tariffs.

Dated at San Francisco, California, this 9th day of March, 1931.

Ch. Seaver  
Leon A. White  
W. J. ...  
M. B. Harris  
Fred G. ...  
Commissioners.