

Decision No. 23745.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY, SACRAMENTO NORTHERN
RAILWAY, SOUTHERN PACIFIC COMPANY,
and THE WESTERN PACIFIC RAILROAD COM-
PANY for permission to cancel less
than carload commodity rates on cer-
tain iron and steel articles from
Oakland and Alameda to Stockton and
Sacramento, and intermediate points.)

ORIGINAL

Application No. 17330.

A. S. Hutchinsson and J. P. Haynes, for The
Western Pacific Railroad Company and
Sacramento Northern Railway, Applicant.

Gerald E. Duffy and E. C. Pierre, for The
Atchison, Topeka and Santa Fe Railway
Company, Applicant.

Roy G. Hillebrand, for Southern Pacific
Company, Applicant.

Edwin G. Wilcox, for Oakland Chamber of
Commerce, Protestant.

W. G. Stone, for Sacramento Wholesalers and
Manufacturers Association.

J. W. Hargens, for Columbia Steel Company.

H. Hoffman, for Baker-Hamilton and Pacific
Company.

W. C. Hubner, for A. M. Castle & Company.

CARR, Commissioner:

O P I N I O N

The carriers ask permission to cancel less than car-
load commodity rates on certain iron and steel articles from

Oakland and Alameda to Stockton and Sacramento, and intermediate points. The rate sought to be cancelled is 11 cents per 100 pounds. If cancelled the 4th class rates will apply. While these rates are substantially higher than the rate sought to be cancelled, the effect on the revenue of the carriers as well as upon freight charges by shippers, is inconsequential because of the small movement involved. Indeed, it became apparent at the hearing that the real reason for the application was the objection of San Francisco shippers to a rate which did not apply equally to them. At one time, it seemed, these shippers contemplated bringing pressure to bear upon the carriers to publish a like commodity rate from San Francisco but finally decided that in view of the lowness of the rate they should urge its cancellation. The Oakland Chamber of Commerce opposed the cancellation, all the other interests appearing favoring it.

The commodity rate had its origin many years ago when small river craft actively competed for freight from a foundry at Emery (now Emeryville). The depressed rate thus established gradually was extended to Oakland and Alameda. The rate is now little used, the tonnage moving under it being surprisingly small. Objection to the rate, as expressed by the traffic manager of one of the San Francisco shippers, is that it has a nuisance effect in that it is used as a talking point in the competitive struggle going on between the various plants rather than as a real item in the cost of the product.

By comparison with other rates, the 11-cent commodity rate appears to be low; and the fourth class rates which will apply if the application is granted likewise appear to be under the level of other fourth class rates between California points where water competition is not prevalent. The carriers'

request is a reasonable one and should be granted.

I recommend the following form of order:

O R D E R

Public hearing having been had in the above entitled application and the matter having been submitted,

IT IS HEREBY ORDERED that the application of the carriers be granted.

The foregoing opinion and order is hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 1st day of March, 1931.

T. C. Sealey
Leon Oulidoff
W. A. Lee
W. B. Harris
Fred G. Stewart
Commissioners.