

Decision No. 23916.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
 THE WESTERN PACIFIC RAILROAD COMPANY
 for permission to increase rate appli-
 cable to the transportation of logs
 from Cromberg to Loyalton, California.)
 Application No. 17292.

L. N. Bradshaw, for The Western Pacific Railroad
 Company, applicant.

A. Larsson, for the Nibley-Stoddard Lumber Company
 and Clover Valley Lumber Company, protestants.

HARRIS, Commissioner:

O P I N I O N

This is an application filed by The Western Pacific Railroad Company under Section 63 of the Public Utilities Act for permission to increase the rate charged for the transportation of logs in carloads, minimum 7,000 feet, from Cromberg to Loyalton from \$1.40 to \$1.75 per thousand feet. The rate is now published as Item 2318 in applicant's Freight Tariff No. 56-F, C.R.C. No. 257.

A public hearing was held at San Francisco June 9, 1931, and the matter submitted. Upon the urgent request of a shipper who was unable to attend on June 9th, the proceeding was reopened and further testimony was received on June 26, 1931. The proceeding is now ready for an opinion and order. The Nibley-Stoddard Lumber Company and the Clover Valley Lumber Company intervened in opposition to the proposed adjustment.

A traffic witness for applicant testified that the present rate of \$1.40 was published January 14, 1929, a reduction from \$1.75, the basis to which it is now desired to restore the rate. The reduced rate of \$1.40 was granted to meet an emergency situation caused by the destruction by fire of mill properties at Cromberg in June, 1928. At the time the change was accomplished interested shippers represented that the volume of the logs to be transported would approximate 20 or 25 million feet per annum, or about 15 carloads per day. An exhibit presented at the hearing showed the movements for the years 1929 and 1930, and at no time during this period was there an average of 15 cars per day. In the month of January, 1929, there were but 48 cars, and the highest movement was in May, 1929, when 229 cars were forwarded. The smallest number was in November, 1930, when but 27 cars were shipped. The haul involves a total of 36.6 miles, including 11 miles over a branch line. Most of the territory is mountainous and expensive to operate, there is no traffic on the branch line from Hawley to Loyalton except forest products, and trains are operated only three times a week. The testimony clearly indicated that the revenue secured for the transportation of these logs was insufficient to meet even the out-of-pocket operating costs.

The rate of \$1.75 now proposed is merely a restoration of the rate originally in effect, and this rate was shown to be lower than practically all log rates for the same distance haul in the Mountain-Pacific states, where lumber operations are of magnitude.

The representative for the protestants objected to the proposed cancellation, principally upon the ground that the lumber industry was in a depressed condition and could not conveniently afford to pay the additional charges. There is no showing

that the proposed rate is per se unreasonable or that it is higher than the standard of rates in effect for like distance haul in the same general territory.

Upon consideration of all the facts of record we are of the opinion and find that the application should be granted and the rate increased from \$1.40 to \$1.75 per thousand feet.

I recommend the following form of order:

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 preceding this order,

IT IS HEREBY ORDERED that the application of The Western Pacific Railroad Company be and the same is hereby granted, and applicant is permitted to cancel the carload rate of \$1.40 per thousand feet, minimum 7,000 feet, in Item 2318 of its Freight Tariff 36-F, C.R.C. 257, and publish the proposed rate of \$1.75 per thousand feet referred to in the opinion preceding this order, which said opinion is made a part hereof.

The foregoing opinion and order are hereby adopted as the opinion and order of the Commission.

John
Dated at San Francisco, California, this 29th day of July, 1931.

C. J. [Signature]

W. B. Harris
Fred G. Stewart
Commissioners.