

Decision No. 25282.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the application of
THE ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY, MODESTO AND EMPIRE
TRACTION COMPANY and LOS ANGELES
JUNCTION RAILWAY COMPANY for author-
ity under Section 63 of the Public
Utilities Act to publish amended
rules and regulations resulting in
increased rates and/or charges.

Application No. 18274.

In the Matter of the application of
SOUTHERN PACIFIC COMPANY, NORTHWESTERN
PACIFIC RAILROAD COMPANY, THE WESTERN
PACIFIC RAILROAD COMPANY, LOS ANGELES
& SALT LAKE RAILROAD COMPANY, PACIFIC
ELECTRIC RAILWAY COMPANY, SAN DIEGO &
ARIZONA RAILWAY COMPANY, SACRAMENTO
NORTHERN RAILROAD COMPANY, TIDEWATER
SOUTHERN RAILROAD COMPANY, PETALUMA
AND SANTA ROSA RAILROAD COMPANY and
GREAT NORTHERN RAILWAY COMPANY for
authority under Section 63 of the Pub-
lic Utilities Act to publish amended
rules and regulations resulting in in-
creased rates and/or charges.

Application No. 18339.

James E. Lyons, for applicants in Application 18339.

E. W. Camp and E. C. Pierre, for applicants in Application
18274.

R. E. Wedekind, for Pacific Electric Railway Company in
Application 18339.

E. E. Bennett and E. C. Renwick, for Los Angeles & Salt
Lake Railroad Company, applicant in Application 18339.

BY THE COMMISSION:

O P I N I O N

These two proceedings were by stipulation consolidated
and will be decided upon the one record.

Upon motion made at the hearing the Modesto and Empire Traction Company and the Los Angeles Junction Railway Company were added to Application No. 18274 and by a similar request the Great Northern Railway Company was made a party to Application No. 18339.

Applicants request authority under Section 63 of the Public Utilities Act to amend certain rules and practices appearing in their terminal tariffs governing the diversion and reconsignment of potatoes in straight carloads or in mixed carloads with fruits and/or other vegetables, in a manner which will permit the assessing of charges for all diversions or reconsignments after the third one has been accomplished.

Proposed Item No. 914 appearing on seventh revised page 35 of Southern Pacific Company Terminal Tariff No. 230-J, C.R.C. 3183, is illustrative on behalf of all carriers and reads in part as follows:

"The following charges will be made for the diversion or reconsignment of Potatoes, in straight carloads, or when potatoes are shipped in mixed carloads with any of the commodities specified in Item No. 911, and will be in addition to any other charges provided herein:

Diversion or Reconsignment	Charge per Car
First	None
Second.	None
Third	None
Fourth.	\$2.70
Fifth	\$6.30
Each, subsequent to the Fifth	\$9.00 "

The tariffs now in effect grant unlimited diversion or reconsignment privileges, without charge, between all points within the State of California. The proposed item or rule is now in effect for interstate traffic west of Chicago and for all intrastate traffic within all western states except California. In the territory east of Chicago charges are assessed for every diversion.

Public hearings were held before Examiner Geary at Los

Angeles September 20 and at San Francisco September 23, 1932, and the matters submitted. No protestants appeared at the hearings, not even to enter an appearance, although notices were freely distributed.

In justification of the proposed charges applicants' witnesses testified to the abuses under the present rules, the complicated accounting and telegraphing necessary to make effective the diversions and the costs of performing the set-out and pick-up services given the diverted cars. The cars are handled by main line freight trains, and from figures presented it is estimated that for each time a car is set out and picked up there is a cost of at least \$6.25. There were exhibits showing the violent misuse of the diversion privileges, the most glaring being that of a car shipped Atchison, Topeka and Santa Fe Railway from Lacto, a station ten miles west of Stockton, on January 30, 1931, arriving at Los Angeles, a distance of 526 miles, on March 2, 1931, consuming 32 days for a journey which under ordinary conditions without diversion would have taken only from two to three days. The car was diverted twenty-one (21) times. The first stop ordered was at Stockton 10 miles, the second at Riverbank 25 miles, then Empire 7 miles, Hughson 4 miles, Denair 6 miles, etc. The obvious reason for moving cars from station to station for short distances is for the purpose of securing free storage and evading the payment of demurrage charges.

A letter (Exhibit No. 4) dated July 16, 1932, written by the American Fruit and Vegetable Shippers' Association to the Interstate Commerce Commission gave its approval to a try-out of the diversion and reconsignment rules on potatoes. The members of this organization handle approximately 600,000 cars annually of fresh fruit and vegetables, among which are approximately 175,000 cars of potatoes.

Further discussion of this convincing record is unnecessary.

We find that the applications have been justified and the changes in the items and rules will be authorized.

O R D E R

The Atchison, Topeka and Santa Fe Railway Company, Modesto and Empire Traction Company and Los Angeles Junction Railway Company (Application No. 18274), and the Southern Pacific Company, Northwestern Pacific Railroad Company, The Western Pacific Railroad Company, Los Angeles & Salt Lake Railroad Company, Pacific Electric Railway Company, San Diego & Arizona Railway Company, Sacramento Northern Railroad Company, Tidewater Southern Railroad Company, Petaluma and Santa Rosa Railroad Company and Great Northern Railway Company (Application No. 18339) having applied to this Commission for authority to change certain rules and regulations governing the diversion and reconsignment of potatoes in straight or mixed carloads as described in the tariffs, hearings having been held, and basing this order on the findings and conclusions in the opinion herein,

IT IS HEREBY ORDERED that the applicants are hereby authorized to cancel the existing rules and in lieu thereof to publish in their respective tariffs the rules and regulations set forth in the applications and the exhibits attached thereto.

Dated at San Francisco, California, this 24th day of October 1932.

C. L. Seaver
Leon Whiteley
M. J. Carr
W. B. Blaine
Fred G. Stewart
COMMISSIONERS.