

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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ORIGINAL

Decision No. 1269

In the Matter of the Schedules or
tariffs of rates of charges of
WELLS FARGO & COMPANY.

Case No. 122.

MERCHANTS AND MANUFACTURERS' ASSOCIATION
OF LOS ANGELES, a corporation,

Complainant,

vs.

Case No. 279.

WELLS FARGO & COMPANY and AMERICAN
EXPRESS COMPANY,

Defendant.

CALIFORNIA CENTRAL CREAMERIES, a cor-
poration,

Complainant,

vs.

Case No. 307.

WELLS FARGO & COMPANY,

Defendant.

THE COUNTY OF ORANGE,

Complainant,

vs.

Case No. 312.

WELLS FARGO & COMPANY,

Defendant.

BY THE COMMISSION.

O R D E R .

This case was decided on the 1st day of August, 1913, and thereafter, within the time allowed by law, the defendant, Wells Fargo & Company, applied for a rehearing, and the Commission permitted evidence to be introduced on said application.

The main contentions of Wells Fargo & Company upon which it bases its application for rehearing are that the Commission had improperly apportioned terminal expenses between state and interstate business and that the months upon which the decision was based as being typical months, were not in fact typical, and by reason of

this fact the Commission intending to bring about a reduction of 15% had nevertheless brought about a reduction approximating 21%.

It is only necessary here to refer to the fact that the months selected, namely, June and July, were stipulated to be typical months by the defendant. But this Commission ^{desires} to do what is right by this Company and not hold it to the strict effect of the stipulation if it can be shown that such stipulation is contrary to the fact.

As far as improper apportionment of terminal expenses between state and interstate business is concerned, it was brought out in the evidence on rehearing, and is admitted by the defendant, that the method pursued by the Commission is the proper method and that the main difference arises from the failure of the Commission to count state pieces twice as against interstate pieces once.

It is not necessary at this time to pass upon the application for rehearing, and the same may be held in abeyance for the following reasons:

Shortly after the decision of this Commission the Interstate Commerce Commission rendered its final decision in the so-called Express Cases, and ordered in schedules of rates which contemplate a reduction of approximately 15% in the interstate revenue of this carrier. Subsequently, on the suggestion of the Interstate Commerce Commission and the Commissioner who originally conducted the express rate investigation for that Commission, this Commission suspended the effective date of its order and withheld a decision on the application for rehearing with a view to making an attempt to bring about uniformity between the rates heretofore prescribed by this Commission for intrastate business and those subsequently prescribed by the Interstate Commerce Commission for interstate business.

It, of course, is the desire of this Commission, in the interest of uniformity, to make its method of stating rates and the rates themselves conform as nearly as may be with the methods and rates prescribed by the Interstate Commerce Commission. Having this desire, however, it is not our intention or inclination so to modify

any order entered by this Commission as substantially to defeat the result attempted to be brought about by such order. In certain respects the Interstate Commerce Commission's method of stating rates is not applicable to state business, particularly to rates applying over short distances.

After repeated conferences, however, the Commission has reached the conclusion that it will be justified in adopting the method of stating state rates which is so nearly analogous to the method of the Interstate Commerce Commission as to bring about practical uniformity and at the same time bring about substantially the same reduction intended to be brought about by this Commission's original decision. This, however, we are only willing to do as a tentative proposition, and we have instructed Wells Fargo & Company to keep a record of the traffic received and forwarded from the 1st of March to the 1st of November at San Francisco, Sacramento, Stockton, San Jose, Fresno, Los Angeles and San Diego, and to show the revenue that would have been obtained at the present rates and likewise the revenue actually obtained from the rates herein prescribed, after which time, if the Commission is sure that its present belief is correct, namely, that the rates herein permitted to be charged bring about the result designed to be brought about by the decision originally rendered in this case, such rates may be allowed to remain in effect, otherwise a decision on the application for rehearing here involved will be rendered wherein a final disposition of the case will be made.

In accordance with what has heretofore been said, Wells Fargo & Company will publish and make effective for California intra-state traffic on and after March 1st, 1914, the Interstate Commerce Commission's scale of rates prescribed in its decision No. 1967, commencing, however, with a rate of 55% per hundred pounds for the first sub-block; 60% per hundred pounds for the second sub-block; 65% per hundred pounds for the third sub-block and 70% per hundred pounds for the fourth sub-block. The rates beyond the fourth sub-block to conform in all respects to the decision of the Interstate

Commerce Commission. These rates are to apply on merchandise under the graduations provided by the Interstate Commerce Commission, which graduations are practically the same as those heretofore prescribed by this Commission.

All articles of food stuffs and beverages, except milk, shall be based on 75% of the merchandise rate, but in no case to exceed the present existing commodity rates. In constructing milk rates the Express Company will start with a rate of 10¢ per hundred pounds and grade the same upon a normal basis not to exceed in any case the present milk rates; this scale of milk rates to be presented to the Commission for approval within ten (10) days.

The Express Company will render monthly a statement showing a record of waybills received and forwarded at the points hereinbefore mentioned. These statements to show the amount collected under the new scale of rates and the amount that would have been collected under the existing rates, such information to be furnished for the months of March to October, inclusive.

Dated at San Francisco, California, this 9th day of February, 1914.

John M. Eschleman
H. D. Laveland
Max Fisher
Edwin O. Edgerton

Commissioners.