

Decision No. ✓

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

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**ORIGINAL**  
Decision No. 1702

In the Matter of the Application of }  
SOUTHERN PACIFIC COMPANY for relief }  
from the provisions of Section 21, }  
Article XII, of the Constitution of }  
California relating to Long and Short }  
Hauls. }

Case No. 214.

(Application No. 2)

George D. Squires for applicant.

ESHELEMAN, Commissioner.

O P I N I O N .

In its Application No. 2 of December 26, 1911, the Southern Pacific Company - Pacific System - asks for authority to continue to charge for the transportation of passengers and baggage a greater compensation as a through rate between Fresno and Bakersfield than the combination of fares on Goshen Junction and to maintain similar adjustments, of which the foregoing is typical, between other points not specifically enumerated in the application. This application was amended by the Southern Pacific Company under date of April 10, 1912, and the original petition to maintain through fares in excess of the intermediate fares was withdrawn and in lieu thereof the Southern Pacific Company requests permission to advance the Fresno-Goshen Junction fare 5% and concurrently to maintain a lower fare to Hanford, a more distant point.

In support of its application, the Southern Pacific Company alleges that the fare from Fresno to Goshen Junction was reduced to 90%, which is less than 3¢ per mile, the usual basis in California on its line, so as not to exceed the fare between Fresno and Hanford between which points the applicant is forced to maintain the same rate as is maintained by the shorter and more direct line, the Atchison, Topeka & Santa Fe Railway Co., Coast Lines. The applicant alleges that the traffic between Fresno and Hanford is considerable and in addition that there is a large traffic to

and from points located in the nearby oil fields, which would probably flow to the line of its competitor if that line's fare between Fresno and Hanford were not equalized. The distance from Fresno to Goshen Junction via the Southern Pacific Company is 34 miles; the distance from Fresno to Hanford through Goshen Junction via the line of the Southern Pacific Company is 47.1 miles, while the distance from Fresno to Hanford via the line of the Atchison, Topeka & Santa Fe Railway is but 30.2 miles.

It is stated that if the application is denied and the petitioner required to establish through fares equal to the sum of the locals to and from Goshen Junction, that a considerable reduction in the revenue of petitioner would be brought about unnecessarily, as no formal complaint has been made as to the reasonableness of any of the fares involved; that the volume of the traffic between Fresno and Goshen Junction is immaterial and consists largely of employees of the railroad company; that if the Fresno-Bakersfield rate is reduced to the combination of locals over Goshen Junction from \$3.15 to \$3.10, that practically all local and interdivision fares of the Southern Pacific Company through Bakersfield and Fresno would be affected, the effect of the reduction even extending to the fare applying between San Francisco and Los Angeles. It is further alleged that the fares which the applicant seeks to establish by this application are just and reasonable, being less than 3¢ a mile, the basis generally employed between points in California. It would appear that because of the fact that the Southern Pacific Company is forced by the competition of the Atchison, Topeka & Santa Fe, Coast Lines, the short line, to meet the fare established by that line between Fresno and Hanford, the Commission could consistently authorize the establishment by the applicant of a higher fare between Fresno and Goshen Junction than between Fresno and Hanford. But such an adjustment of passenger fares is impracticable and would tend to create discriminations. For example, those familiar with the adjustment travel-

ing from Fresno to Goshen Junction would, in the majority of cases, no doubt, purchase Fresno to Hanford tickets and stop off at the intermediate point, - that is Goshen Junction, while parties not familiar with the adjustment traveling from Fresno to Goshen Junction would purchase tickets between those points and thereby be charged a greater fare than parties enjoying the same facilities and transported between the same points by the same carrier.

To justify the reasonableness of the proposed fare it is not enough to allege that it will not yield a rate per mile equal to that usually charged. The reasonableness of the basis with which the comparison is made should be shown; and because a considerable reduction will probably result in the carrier's revenues if the through fares are reduced to the sums of the intermediates, it does not necessarily follow that the increase should be permitted.

In view of these facts it does not appear that the evidence is sufficient to warrant the Commission to authorize the increase in the fare between Fresno and Goshen Junction, and the application should therefore be denied.

I recommend the following order:

O R D E R .

SOUTHERN PACIFIC COMPANY having applied to this Commission for relief from the provisions of Section 21, Article XII, of the Constitution of California, and for authority to advance its fare for the transportation of passengers and baggage between Fresno and Goshen Junction by five cents (5¢) and concurrently to maintain a lower fare between Hanford, a more distant point; and a hearing having been held, and being fully apprised in the premises,

THE COMMISSION HEREBY FINDS AS A FACT that the Southern Pacific Company has not justified the granting of this application;

And basing its order on the foregoing finding of fact,

