

Decision No. 5653

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of Petaluma & Santa Rosa Railway) Application No. 3889.
Company for an Order Authorizing)
an Increase in Freight Rates.)

Allan P. Matthew. for Applicant.

Sapiro, Neylan & Ehrlich, by John F. Neylan,
for Northern California Poultry Producers.

LOVELAND, COMMISSIONER:

ORDER

The Petaluma & Santa Rosa Railway Company, an electric line, applied to this Commission June 25, 1918, under Section 63 of the Public Utilities Act, for authority to increase its freight rates to a basis of the rates established on federal controlled steam railroads under General Order No. 28, issued by W. G. McAdoo, Director General of Railroads, May 25, 1918, effective June 25, 1918.

The Commission has, by informal action, authorized many electric lines, steam railroads and boat lines not under federal control but in direct competition, to increase freight and passenger rates in conformity with this General Order No. 28. These changes were authorized without public hearings as emergency

measures to maintain parity of rates between federal controlled and nonfederal controlled transportation companies in competitive territory, when no opposition had developed and it appeared to the satisfaction of the Commission that increases in revenue were necessary to properly maintain the services of the different applicants.

In this proceeding the Northern California Poultry Producers' Association, through its attorneys, Sapiro, Neylan & Ehrlich, objected to the increases and, accordingly, the application was set for a formal hearing July 8, 1918. At this hearing Attorney John F. Neylan stated his firm represented not only the Poultry Producers' Association, but other shippers, and that they were then in correspondence with Director General of Railroads McAdoo praying for a modification of General Order No. 28 insofar as it applied to the Northwestern Pacific Railroad, which is under federal control and in direct competition with this applicant. He therefore urged a postponement of this case pending outcome of a conference to be held at Washington, D. C. and agreed to notify this Commission of the results obtained. If modification of the Northwestern Pacific rates were not possible all objections to the freight increases to this applicant would be withdrawn. Under date July 31, 1918, protestants notified this Commission, in writing, of their withdrawal of all objections to the application.

The Petaluma & Santa Rosa Railway has shown in its application, by exhibits and by annual reports that it is in need of increased revenue, in addition to which the Commission believes it should cooperate with the Federal authorities at this time, for it would be illogical, where carriers are in direct

competition with regular scheduled routes to maintain difference in rates, as manifestly traffic would gravitate to the low-rated line, which would result in endless confusion and, in many instances, the line securing the tonnage would be without facilities for its proper transportation.

It appearing to the Commission that this application should be granted and that a hearing is not necessary.

IT IS HEREBY ORDERED that this application be and the same is hereby granted.

Dated at San Francisco, California, this 6th day of August, 1918.

Edwin O. Edgerton
H. J. [unclear]
[unclear]
Frank [unclear]
Commissioners.