

Decision No. 3006

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern Pacific Company and South San Francisco Belt Railway for authority to increase local switching charges on livestock, carloads, at Los Angeles, and joint switching charges at San Francisco, in connection with livestock not previously received by rail. )  
Application No. 20492.

In the Matter of the Application of Union Pacific Railroad Company for authority to increase local switching charges on livestock, carloads, at Los Angeles, in connection with livestock not previously received by rail. )  
Application No. 20525.

In the Matter of the Application of Southern Pacific Company and Union Pacific Railroad Company for authority to cancel joint switching charges on livestock at Los Angeles, carloads. )  
Application No. 20686.

R. E. Wedekind, for Southern Pacific Company.  
Edward C. Renwick, for Union Pacific Railroad Company.  
Emanuel J. Forman, for Globe Grain and Milling Company.  
B. Elwin Bishop, for Los Angeles Union Stock Yards and  
Los Angeles Stock Yards Exchange.

BY THE COMMISSION:

O P I N I O N

Applicants seek authority under Section 63 of the Public Utilities Act to establish certain increased local and joint rates for switching carloads of livestock at Los Angeles, San Francisco and South San Francisco. Specifically, applicants propose (a) to restrict their present charge of \$5.50 per car for switching livestock at Los Angeles to apply only on livestock which has moved into the stockyards by railroad; (b) to cancel the present charge of \$5.50 per car for switching livestock from South San Francisco Union Stockyards, and to establish in its stead a rate of \$11.00 per car, to apply on livestock which has moved into the stockyards by rail or truck; (c) to cancel

the present charge of \$5.50 per car published by Union Pacific Railroad for switching at Los Angeles, or, as an alternative, to restrict its application to livestock which has moved into the stockyards by railroad; and (d) to cancel Union Pacific Railroad Company's Tariff C.R.C. No. 291 (L.A. & S.L. series) which names joint rates for switching livestock from Union Pacific tracks at Los Angeles Union Stock Yards to Southern Pacific tracks within the Los Angeles switching district.<sup>1</sup>

A public hearing was held on a consolidated record at Los Angeles, before Examiner Howard G. Freas.

In justification of the proposed changes applicants state that the switching charge of \$5.50 per car was intended for switching service subsequent to a rail movement into the various stock yards. They assert that since its establishment there has been a considerable diversion of the inbound traffic from rails to trucks and that the railroads are now being called upon to perform switching on livestock on which they have not received any inbound revenue.<sup>2</sup>

Applicants submitted statements comparing the \$5.50 per car switching charge with charges assessed for comparable distances in line haul service. For example, the maximum distance in the Los Angeles switching district to which the charge of \$5.50 per car applies is

1

- The following tariffs and items are sought to be altered:
- (a) Item No. 3397-B, page 123, of Southern Pacific Company's Terminal Tariff No. 230-J, C.R.C. No. 3183;
  - (b) Southern Pacific Company's Joint Terminal Tariff No. 1367-A, C.R.C. No. 5331;
  - (c) Item No. 840-A of Union Pacific Railroad Company's Terminal Tariff No. 7114, C.R.C. No. 289 (L.A. & S.L. series).
  - (d) Union Pacific Railroad Company Tariff C.R.C. No. 291 (L.A. & S.L. series).

2

A witness for the Southern Pacific Company testified that a check disclosed that during 1928 the rails moved 8298 carloads of livestock in and out of San Francisco while the trucking companies moved 496 truckloads. During 1935, however, the rails moved only 4390 carloads, while the trucks moved 4771 truckloads.

approximately 7 miles. Line haul charges for this distance in southern California range from \$13.50 to \$22.50 per car. From South San Francisco the \$5.50 per car charge applies for a joint line haul for a maximum distance of approximately 8 miles. Line haul charges for this distance in northern California, range from \$11.50 to \$29.00 per car. Applicants showed, moreover, that a similar switching charge of \$5.50 per car maintained by The Atchison, Topeka and Santa Fe Railway Company for comparable switching at Los Angeles has been restricted since 1923 to livestock moving inbound by railroad.

The justification upon which applicants base their request to cancel joint switching charges published in Union Pacific Tariff C.R.C. No. 291 (L.A. & S.L. series) is that Union Pacific Railroad Company and Southern Pacific Company are now able to handle locally any movement of livestock from Los Angeles Union Stock Yards to industry, warehouse or private tracks located on their respective rails. During the period January 1, 1935 to May 31, 1936, there were no movements under the tariff sought to be cancelled.

Representatives of Globe Grain and Milling Company and of Los Angeles Union Stock Yards protested the proposals. Their objections were based chiefly upon the grounds that switching charges on commodities other than livestock are not generally predicated upon prior rail movement.

The record indicates quite clearly that the \$5.50 per car charge was established in the expectation that the railroads would derive additional revenue from inbound hauls and that it is less than the normal charge for the service required.

In view of the showing as to the lack of joint movement under Union Pacific Company's Tariff C.R.C. No. 291 (L.A. & S.L. series) and the fact that the service can be performed readily by the individual applicants in local switching, it appears that the public

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<sup>3</sup> In Application No. 6390, 19 C.R.C. No. 856 (decided May 12, 1921) this Commission established switching charges ranging from 37½ cents per ton, minimum \$8.00 per car, to 70 cents per ton, minimum \$13.00 per car, to apply for general switching, including livestock, within specified zones in Los Angeles, San Francisco and South San Francisco. The reduced rate of \$5.50 per car was subsequently published by the railroads voluntarily.

will not be prejudiced by the proposed cancellation.

To the extent applicants seek to cancel switching charges in effect at Los Angeles or to restrict the application of such charges to apply only on shipments which have moved into the stock-yards by railroad, the proposals have been justified.

The proposal to increase the switching charge at South San Francisco to \$11.00 has likewise been justified. However, no reasonable explanation has been offered for restricting such charge to apply only on shipments which have moved inbound by either truck or rail. Such a restriction would appear to be unnecessary, and to be discriminatory in some instances. Applicants should be authorized to publish said increased charge unrestricted as to prior inbound movement.

O R D E R

A public hearing having been held in the above entitled applications, the matters having been duly submitted and the Commission being fully advised,

IT IS HEREBY ORDERED that these applications be and they are hereby granted, subject to the modification indicated in the foregoing opinion.

Dated at San Francisco, California, this 23<sup>d</sup> day of August, 1937.

Walter H. Brown  
Leon C. Caldwell  
Frank K. Evers  
Robert W. Evers  
Paul L. Ciley  
Commissioners