

Decision No. 31095

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE PULLMAN COMPANY for Authority,
under Sections 15 and 63(a) of the
Public Utilities Act, to increase
rates.

}
}
}
Application No. 21681

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

On November 22, 1937, the Pullman Company filed with the Interstate Commerce Commission an application requesting authority to make a general increase of 10% in its rates, fares and charges, and hearings in the proceeding, designated as Ex Parte 125 were had. On January 3, 1938, as a part of its program to put into effect the same measure of increase on intrastate traffic as might be authorized by the Interstate Commerce Commission on interstate traffic, the instant application was filed with this Commission.

Following extended hearings in Ex Parte 125, the Interstate Commerce Commission found that an increase of 5% in applicant's rates, fares and charges, adding sufficient where necessary to make the rate, fare or charge end in a multiple of 5 cents, would result in a rate adjustment for applicant's services on interstate traffic which was just and reasonable. In the opinions of the several commissioners the thought was expressed that no increase should be made in the charges for upper berths because of the already wide difference in popularity between upper berths and lower berths. By appropriate tariff filings, the increases authorized except on upper berths will become effective August 1, 1938, on applicant's interstate operations.

In justification of the proposed increases in rates on intrastate operations in California applicant relies on the same reasons as were urged before the Interstate Commerce Commission. It alleges

that they apply with the same force in intrastate traffic as on interstate traffic. The reasons there urged and here relied on are increased wages to employees, increased social security, state unemployment compensation and railroad retirement taxes, and increased costs of materials and supplies.

In view of the decision entered by the Interstate Commerce Commission in Ex Parte 125 and of the similarity of the problem there presented to that presented in the instant proceeding and the desirability for uniformity of interstate and intrastate rates, we are of the opinion that this is not a matter in which a public hearing is necessary and that the proposed increase to the extent it does not exceed the basis provided by the Interstate Commerce Commission in Ex Parte 125 except as applied to upper berths is justified.

It will be understood that any person or group of persons may properly challenge by complaint in the usual manner the reasonableness or lawfulness of any increase herein authorized should such increase be regarded as unreasonable or in any manner unlawful. The applicant before accepting the benefits of this order, and before filing the increased rates authorized herein, will be required to agree that it will never urge before this Commission in any reparation proceeding under Section 71 of the Public Utilities Act, or in any other proceedings, that the opinion and order herein has found that any individual rate authorized is reasonable.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that applicant be and it is hereby authorized to establish on not less than five (5) days' notice to the Commission and to the public the increased rates, fares and charges, proposed by the application herein except those sought on upper berths, to the extent that such increase does not exceed 5 per cent, adding

sufficient where necessary to make the rate, fare or charge end in a multiple of 5 cents.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the express condition that applicant in this proceeding will never urge before this Commission in any proceeding under Section 71 of the Public Utilities Act or in any other proceeding that the opinion or order herein constitutes a finding of fact of reasonableness of any particular rate; and the filing of rates pursuant to the authority herein granted will be construed as consent by the applicant to this condition.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 15th day of

July, 1938.

Walter H. Hume
Lion C. Whelan
James P. Hume

COMMISSIONERS