

Decision No. 36241

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of certain railroads (and connecting highway carriers and water lines) for authority to increase their rates, fares and charges (1942).

)
)
) Application No. 24670
)
)

In the Matter of the Application of THE TRUCK OWNERS ASSOCIATION OF CALIFORNIA, a corporation, and PACIFIC MOTOR TRUCKING COMPANY, a corporation, for an Order: (1) modifying certain outstanding orders of your Commission establishing minimum rates, rules and regulations for the transportation of various classes of property as herein more particularly described; (2) authorizing highway common carriers and express corporations to increase their local and joint rates and charges as more particularly herein described; and (3) authorizing departures from sections of the Public Utilities Act and of the Constitution, as herein more particularly described.

)
)
) Application No. 24724
)
)

In the Matter of the Establishment of maximum or minimum, or maximum and minimum rates, rules and regulations of all common carriers as defined in the Public Utilities Act of the State of California, as amended, and all highway carriers as defined in Chapter 223, Statutes of 1935, as amended, for the transportation, for compensation or hire, of any and all commodities.

)
)
) Case No. 4246
)
)

In the Matter of the Establishment of maximum and minimum, or maximum or minimum rates, rules and regulations of all common carriers, as defined in the Public Utilities Act of the State of California, as amended, and all highway carriers, as defined in Statutes 1935, Chapter 223, as amended, for the transportation, for compensation or hire, of any and all agricultural products.

)
)
) Case No. 4293
)
)

BY THE COMMISSION:

SUPPLEMENTAL OPINION AND ORDER

By Decision No. 35271 of April 14, 1942, in the above entitled proceedings, this Commission authorized the California rail lines and certain connecting vessel and highway carriers to increase their rates, with certain exceptions, by 6 per cent for the transportation of property generally and by 3 per cent for the transportation of basic raw products of agriculture, animal products and products of mines. This action followed the authorization of like increases on interstate traffic by the Interstate Commerce Commission in Ex Parte 148, in re Increased Railway Rates, Fares and Charges, 1942. By petition, filed May 4, 1943, the aforesaid carriers request authority to suspend these increases on California intrastate traffic, from May 15, 1943 to January 1, 1944. By an amended petition filed on the same day, an additional entry is made in the list of rates not proposed to be suspended. Petitioners point out that the Interstate Commerce Commission has suspended the interstate increases during the period in question.¹

The Truck Owners Association of California and The River² Lines have filed a protest against the granting of the petition. They urge that it either be denied or set for public hearing. In support of their request they advance various arguments. Briefly stated, their position appears to be that reduced rail rates would undoubtedly occasion reductions in the rates of highway carriers,

1

Rates and charges established upon the request of the federal government, and by voluntary action of the railroads, are not affected by this suspension.

2

The Motor Truck Association of Southern California has advised that it joins in this protest.

and that such reductions would seriously endanger the maintenance of an adequate truck transportation system. Whether the reduced rail rates, in view of existing transportation conditions, will force a corresponding reduction in truck rates cannot be determined on this record.

Pursuant to the provisions of Section 13(3) of the Interstate Commerce Act, the Interstate Commerce Commission invited and received the cooperation of State regulatory commissions in the matters here involved. We have been supplied with the extensive record developed in the interstate proceeding (Ex Parte 148), including the additional evidence submitted on further hearing in that matter. The Interstate Commerce Commission has concluded that the added revenue resulting from the rail increases is not justified under present conditions. We share this view. Accordingly, the original petition seeking authority to suspend increased intrastate rates to the same extent as, and for the same period as, interstate rates appears justified and will be granted. No justification has been shown for the additional entry in the list of rates not proposed to be suspended. The amended petition will, therefore, be denied. Under the circumstances, a further public hearing is not necessary at this time. Therefore, good cause appearing,

IT IS HEREBY ORDERED that the original petition of the California rail lines and connecting highway carriers and water lines, filed May 4, 1943, seeking authority to suspend the increased freight rates and charges established pursuant to authority granted by Decision No. 35271 of April 14, 1942, in these proceedings, until January 1, 1944, on not less than one (1) day's notice to the Commission and to the public, be and it is hereby granted; and that the amended petition of the aforesaid carriers, filed on May 4, 1943, be and it is hereby denied.

IT IS HEREBY FURTHER ORDERED that the Commission shall have, and it does hereby retain, jurisdiction of these proceedings for the purpose of determining the effect of the rail rate reduction on the rates of other agencies of transportation, and of determining, if need be, the lawfulness of any particular rate or charge, or rates or charges, resulting from this order.

This order shall become effective five (5) days from the date hereof.

Dated at San Francisco, California, this 7th day of May, 1943.

Francis D. Haberman
J. P. W.
Justin D. Casper
Richard L. Schaefer
Frank O. ...
Commissioners