

ORIGINAL

Decision No. 44775

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
E. B. PADRICK, Agent for The Atchison, )  
Topeka & Santa Fe Railway Co. (Coast )  
Lines), Northwestern Pacific Railroad )  
Company, San Diego & Arizona Eastern )  
Railway Company, Southern Pacific )  
Company (Pacific Lines), and Union )  
Pacific Railroad Company for authority )  
to increase the charge for individual )  
excess weight baggage coupon books, as )  
published in Western Territory Excess )  
Weight Baggage Coupon Book Tariff )  
No. 141-2, Cal.P.U.C. No. 113, (H. W. )  
Siddal's issue), E. B. Padrick, Agent.)

Application No. 31404

Appearances

J.M. Souby, Jr., for The Atchison, Topeka & Santa Fe  
Railway Co.  
Charles W. Burkett, Jr., for the other applicants.

OPINION AND ORDER

In this proceeding, applicants seek authority to increase their charge for excess weight baggage transported under coupon book arrangements.

A public hearing was had at San Francisco on September 1, 1950, before Examiner Mulgrew.

The books are restricted to use within a period of one year by the individual to whom they are issued. The aggregate value of the coupons is \$15 per book. The charge for the books was established at \$10 in 1934. This charge, the equivalent of a 33-1/3 percent discount, was established by western railroads, including the applicant California lines, in an effort to recapture the patronage of traveling salesmen and other frequent travelers who had turned from the use of

railroad service to the use of private automobiles. Rail travel involving the handling of excess baggage, and particularly such travel in which use of the coupon books is advantageous, is predominantly interstate in character. The charge for the coupon books was increased from \$10 to \$12 on interstate traffic, as well as on intrastate traffic within all of the western states except California, effective July 1, 1950. Applicants propose to make the same increase on California intrastate traffic.

Witnesses for applicants testified that the western railroads had made various increases in their rates for milk and cream, express, mail and other things handled in baggage cars in passenger train service (so-called "head-end" traffic); that these adjustments had been made in view of long continuing and steadily increasing deficits experienced in such operations; and that the excess baggage coupon book charge required like treatment in order to help reduce losses incurred in handling "head-end" traffic. They pointed out that under the \$12 rate users of the books would still enjoy a substantial discount. In view of the "head-end" traffic deficits, they said, applicants could not continue a discount as great as 33-1/3 percent on their excess baggage coupon books. They anticipated no diversion of passenger business from their lines as a result of adjusting that discount to 20 percent.

In California, Southern Pacific sells more of the coupon books than any of the other applicants. Based on its June-1950 experience, it estimates that the additional intrastate charges on its line under the proposed increase would amount to approximately \$45 per month. In the July 1949-through-June 1950 period, its agents in California sold an average of 160 books per month.

A \$2 increase on all traffic affected would, on this level of sales, amount to \$320 per month. These figures indicate that less than 15 percent of the books sold in California are used in California intra-state travel.

Estimates submitted by witnesses for other applicants indicate, moreover, that their sales of the books are considerably less than Southern Pacific's. Santa Fe and Union Pacific average sales for 1949-1950 amounted to 20 and 24 books per month, respectively, for all traffic. In the same period, the San Diego and Arizona Eastern sold an average of 1 book every 3 months, while the Northwestern Pacific sold no books.

Applicants' witnesses also testified that, while the intra-state adjustment was not as important as the interstate from a revenue producing standpoint, it would be expensive and difficult to operate with one charge for California intrastate traffic and another for all other western operations. They strongly urged that the long-standing uniformity in charges be reinstated as quickly as possible. Applicants requested that the intrastate increase be authorized on less than statutory notice.

The record shows that the usual notices were mailed in advance of the hearing to persons and organizations believed to be interested in the application. No one appeared in opposition thereto.

Upon consideration of all the facts and circumstances of record, we are of the opinion and hereby find that the sought increase is justified.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that E. B. Padrick, Agent, be and he is hereby authorized to establish, on not less than five (5) days' notice to the Commission and to the public, the increased charges proposed in the above-entitled application.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire ninety (90) days after the effective date of this order.

This order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 11<sup>th</sup> day of September, 1950.

R. T. Dunning  
Justus F. Craven  
Deputy Secretary

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Commissioners