

Decision No. 56792

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
J. P. HAYNES, Agent, for authority)	
to increase rates on livestock to)	Application No. 39819
or from certain points on the)	
Placerville Branch of Southern Pac-)	
ific Company.)	

John MacDonald Smith and Charles W. Burkett, Jr.,
for J. P. Haynes, Agent, Pacific Southcoast
Freight Bureau, applicant.
J. C. Kaspar, A. D. Poe, and J. Y. Quintrall, for
California Trucking Associations, Inc., inter-
ested party.

O P I N I O N

By the above-entitled application, J. P. Haynes, Agent, Pacific Southcoast Freight Bureau, seeks authority to cancel certain specific rates on livestock applying from and to points on the Placerville Branch of the Southern Pacific Company. In lieu thereof, distance rates would apply, resulting in increases.

Public hearing was held before Examiner William E. Turpen on April 18, 1958, at San Francisco.

The rates sought to be canceled apply between certain points on the Placerville Branch of the Southern Pacific Company, on the one hand, and certain points on the main line of the same railroad between Roseville and the Nevada State Line, on the other hand.¹ Applicant states that these rates are presently on a lower basis

¹ The points on the Placerville Branch are Perkins, White Rock, Brela, Shingle Springs, Eldorado, and Apex. The points on the main line are Cisco, Soda Springs, Truckee, and Boca. The rates are contained in PSFB Tariff No. 271 of Agent J. P. Haynes.

than those for similar transportation services between other points in California.

An assistant freight traffic manager of the Southern Pacific Company explained the historical background of the livestock rates in California. In 1939, the Commission prescribed minimum rates for highway carriers based on distance,² and in the same decision authorized higher scales of rates for the rail lines, but authorized the rail lines to publish the lower highway rates. At the present time, according to the witness, the rates here in issue are the only California intrastate rates on the lower basis which have any rail movements. The witness also testified that during the past few years the only movements under these rates have been cattle and calves from White Rock to Truckee during June and July, and a return movement during October and November. Granting of this application, according to the witness, will result in the cancellation of depressed rates that are noncompensatory, and the substitution therefor of rates on the same levels as are applicable for similar distances elsewhere throughout the State.

The assistant manager of the Southern Pacific Company's Bureau of Transportation Research offered in evidence exhibits which developed the out-of-pocket costs for the transportation of livestock between the various points involved in this application. The exhibits show that in most cases the present rates are below the out-of-pocket costs, and that the proposed rates will not provide much margin above the out-of-pocket costs to apply on the indirect costs of the railroads. Examples of the present and proposed rates and the out-of-pocket costs applicable on movements of feeder cattle

² Decision No. 31924 (41 CRC 836)

and feeder calves between White Rock and Truckee are shown in the following table:

Rates and Costs
Between White Rock and Truckee
(In cents per 100 pounds)

	<u>Feeder Cattle</u>	<u>Feeder Calves</u>
Present Rates	30	39
Out-of-Pocket Costs	39.0	39.4
Proposed Rates	42	42

Copies of the application and notices of the hearing were sent to various parties believed to be interested, including the California Cattlemen's Association. No one protested the granting of the application.

It appears, and the Commission so finds, that the rates sought to be canceled are below a reasonable level and that their cancellation is justified. The rates that will then apply are found to be reasonable for the transportation involved. The application will be granted. Applicant also requests that in view of the pending annual movement in June and July, he be authorized to make the necessary tariff changes on not less than five days' notice. This request appears reasonable and will be granted.

O R D E R

Based upon the evidence of record and upon the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED that J. P. Haynes, Agent, Pacific Southcoast Freight Bureau, be and he is hereby authorized to cancel, on not less than five days' notice to the Commission and to the public, the bases for rates on livestock in his Tariff No. 271, as set forth in the application filed in this proceeding.

IT IS FURTHER ORDERED that the authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order shall be five days after the date hereof.

Dated at San Francisco, California, this 4th day of June, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

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Commissioners