

Decision No. 60438

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Pacific Southcoast Freight Bureau)	
for authority to publish increased)	Application No. 42160
rates on certain petroleum products)	(Filed April 19, 1960;
in tank cars between specified points)	amended May 26, 1960.)
in California.)	

OPINION AND ORDER

By this application, as amended, the Pacific Southcoast Freight Bureau seeks authority to establish and publish increased rates for the transportation of certain petroleum and petroleum products in railroad tank cars between various points in California. The authority is sought on behalf of these carriers that are parties to Pacific Southcoast Freight Bureau Freight Tariff No. 252-D. According to the application, the circumstances which have prompted the carriers to seek increased rates are as follows:

By Decision No. 55942, dated December 10, 1957, (56 Cal. P.U.C 90), the carriers were authorized to effect increases in their rates for the transportation herein involved, which increases were as great as, or greater than, the increases which applicant now seeks. Said decision authorized increases of 6 percent, and of an additional 5 percent, in the rates of California railroads and certain connecting highway carriers.

Soon after the rail carriers established the increased rates that were so authorized, they became apprised of the fact that highway carriers were maintaining and assessing lower rates for the transportation of petroleum and petroleum products between the same points. In order to meet the competition afforded by the lower rates of the highway carriers, the rail carriers reduced their rates on May 21, 1958, to eliminate the effect of the 6 percent and of the 5 percent increases. Subsequently the rail carriers reviewed their rates and concluded that notwithstanding certain increases which were made in April, 1959, under authority of Decision No. 58226, dated April 7, 1959, (57 Cal. P.U.C. 117), many of their rates are lower than necessary or appropriate to meet highway carrier competition.

What applicant now seeks is to reapply the rate increase authority granted by Decision No. 55942 subject to the limitation that in no event would rates be established in excess of those which are set forth in Minimum Rate Tariff No. 6 as the minimum rates for the transportation of bulk petroleum and petroleum products by highway carriers. Assertedly, the proposed rates would be just and reasonable under present conditions.¹

Applicant states that it has duly publicized the sought rates, and that it has received no objections thereto from either shippers or carriers. The California Trucking Associations, Inc., has informed the Commission that it supports the granting of the application. The Commission's Transportation Division has

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The proposed rates are set forth in Exhibits Nos. 1 through 13 attached to the original application in this matter and in the amendment to the application which was filed May 26, 1960.

reviewed the proposed rates and has verified that the increases conform to the bases on which they are sought.

Inasmuch as the rate increases which would result under applicant's proposals in this matter are the same or less than those which have been found justified heretofore for the transportation involved, and in light of the circumstances that are otherwise referred to above, the Commission finds and concludes that said increases have been shown to be justified. The sought rates will be authorized.

In view of the prior notification given to parties believed believed to be interested in this matter, public hearing on this application is not necessary.

Good cause appearing,

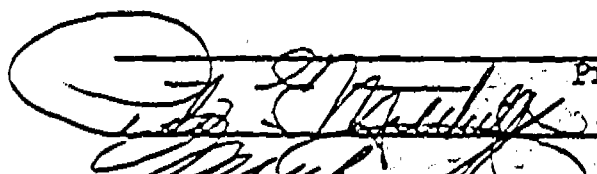
IT IS HEREBY ORDERED:

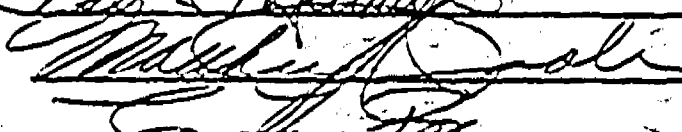
1. That those carriers who are parties to Pacific Southcoast Freight Bureau Freight Tariff No. 252-D be, and they hereby are, authorized to increase their rates in said tariff to conform to the increased rates for which authority is sought by the above-numbered application, as amended; and

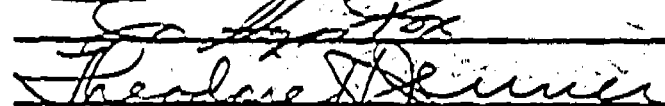
2. That the authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 26th day of July, 1960.



President




Commissioners