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Decision No. 65468

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

THE SHERWIN-WILLIAMS COMPANY OF CALIFORNIA, Complainant, vs. THE SOUTHERN PACIFIC COMPANY, PACIFIC ELECTRIC RAILWAY COMPANY, Defendants.	)	Case No. 7162

Additional Appearances

Dana R. Bates, for complainant.
W. Harvey Wilson, for defendants.

OPINION ON REHEARING

By the complaint herein, filed on August 7, 1961, complainant[1] alleges that defendants assessed charges on 45 carload shipments of cans and metal caps which were inapplicable, unjust, unreasonable, prejudicial and disadvantageous, in violation of Sections 451, 453 and 494 of the Public Utilities Code. The shipments moved on and after September 11, 1958 from complainant's plant at San Leandro via Southern Pacific to Los Angeles, thence via Pacific Electric to the plant of the Richfield Oil Corporation at Watson. The cans were empty 1-quart lubricating oil cans, shipped in bulk, except that in two of the shipments some of the cans were packed in bags. The metal

[1] The complaint herein was filed by The Sherwin-Williams Company of California, a corporation. Effective August 31, 1962 that corporation was dissolved and its assets and business activities were transferred to the Sherwin-Williams Company, an Ohio corporation. Counsel for the two companies has requested that the latter be substituted for the former as complainant. The request will be granted.

can caps were packed in cartons and were transported in mixed shipments with the cans.

By Decision No. 63308, dated February 20, 1962, the Commission found that the carload commodity rates which had been assessed were inapplicable to the extent that charges resulting thereunder exceeded the charges which would result by application of the second class 10,000 and 20,000 pound lot rates concurrently in effect between the involved points. Defendants were directed to cancel outstanding balance due bills and to refund the overcharges found to exist. Said Decision No. 63308 was stayed by the timely filing by defendants of a petition for rehearing. Rehearing was granted by the Commission's order dated May 14, 1962 and was held before Examiner Bishop at San Francisco on July 26, 1962.

It is not deemed necessary to restate in this opinion the essential facts regarding the transportation at issue, which facts are set forth in the aforesaid Decision No. 63308. Instead, we will proceed to a re-examination of the applicable tariff provisions in the light of the allegations of the petition for rehearing and of the evidence adduced at the rehearing.

In the original decision it was found that the applicable tariff provisions relative to alternations of less-than-carload rates with carload rates, where the former produce lower charges on a carload shipment than the latter, were set forth in Section 1(a) of Rule 15 of the Western Classification and the conclusion that overcharges existed on the shipments herein was predicated on the application of that rule. In making that determination, a provision of Pacific Southcoast Freight Bureau Exception Sheet No. 1-S was overlooked. Rule 10 of this latter publication, which was in effect at the times of movement of the shipments in question, provides that Section 1(a) of Rule 15 of the Western Classification will not apply

when the alternate carload charge is determined by use of less-than-carload rates published in Pacific Southcoast Freight Bureau Tariff No. 255-G and that, under such circumstances the provisions of Item No. 125 series of said Tariff No. 255-G will apply.[2] As stated in the original decision, Tariff No. 300, in which the carload rates are published, is subject to the provisions both of the Western Classification and of the Exception Sheet, the latter taking precedence over the former. In view of the provisions of Rule 10 of the Exception Sheet our conclusions, set forth in Decision No. 63308, relative to the points at issue will be revised as hereinafter set forth.

Defendants contend that no less-than-carload rating on empty tin cans of 1-quart capacity, shipped loose, is provided in either the Western Classification or the Exception Sheet, and that Item No. 125 of the latter publication prohibits the acceptance of such shipments by the carrier. In the original decision, however, we found that under the provisions of the so-called liberalized packing rule, as set forth in Item No. 870 of Tariffs Nos. 255-F and 255-G, less-than-carload shipments of empty tin cans, loose, would be accepted for shipment provided that they were in a container or shipping form that would render the transportation of the freight reasonably safe and practicable. Tariff No. 255 series specifies that provisions contained therein supersede conflicting provisions of the Western Classification or of the Exception Sheet. We further found that tin cans shipped loose, but braced and otherwise prepared for shipment as were the carloads of tin cans here in issue, would comply with the "safe and practicable" requirements of the aforesaid Item No. 870 and that, consequently, the second class less-than-carload rating provided in Item No. 35037 of the Western Classification for 1-quart cans in packages was available for shipments of

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[2] Rule 10 of Exception Sheet No. 1-S was first published in a supplement to that publication and originally referred to Tariff No. 255-F. Tariffs 255-F and 255-G, in effect successively during the period covered by the complaint herein, contained the less-than-carload class rates here in issue.

such cans shipped loose[3] under the indicated circumstances.

Defendants presented evidence at the rehearing designed to further support their position that the applicable tariff publications do not authorize, nor provide a rating for 1-gallon cans shipped loose. An assistant traffic manager of Southern Pacific testified that the aforesaid liberalized packing rule had no application to loose tin cans, because that form of shipment would not have rendered the transportation of less-than-carload shipments reasonably safe and practicable. He did not have in mind that such shipments would be securely braced, as are carload shipments of loose cans, for the following reasons:

Less-than-carload shipments, loaded into a box car on spur track at shipper's plant are transported therefrom in so-called trap-car service.[4] Defendants' witness testified that typically such service consisted of an accumulation of small shipments from one shipper that would fill a large portion of a freight car which would be switched over to the carrier's freight house for distribution to merchandise cars carded for line-haul movement to the respective points of destination. Trap-car service would also be involved, he said, in the reverse movement on inbound traffic, in which several less-than-carload shipments, all consigned to one

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[3] The record indicates that there is some confusion about the term "loose" as applied to the handling of tin cans which are not packaged. Obviously it would not be practicable or safe to throw a bunch of loose tin cans into a car of less-than-carload shipments. Cans which are securely braced and separated in rows with vertical dividers, however, are still properly described as "loose".

[4] According to the record, trap-car handling of less-than-carload shipments has been largely superseded by pickup and delivery service in motor trucks.

receiver, are placed in a box car at the carrier's depot at destination point and switched to the receiver's spur track for unloading by him.

Even if the liberalized packing rule were construed to permit the transportation of less-than-carload shipments of loose tin cans, defendants' witness indicated, it would not be practicable for the carrier to transfer the loose tin cans from the trap car at the originating station to a line-haul merchandise car, stacking, dividing and bracing them in it, and repeating these procedures, at the destination station in a transfer to a second trap car for movement to consignee's plant. Additionally, this witness asserted that it is the prerogative of the carrier to decide whether or not shipments will be accorded trap-car service when request therefor is made by the shipper.[5]

In Swift & Co. v. A.C. & Y. R.R. (1930), the Interstate Commerce Commission defined the term "trap car" as applying to "a car placed at an industry and loaded with l.c.l. freight, to be forwarded to a freight station on the road on which the industry is located for hauling of contents, or, at issuing or roadhaul carrier's option, sent to one of its transfer points for handling of contents or to destination."[6] (Emphasis supplied).

In L.C.L. Exception Ratings, Official Territory (1948), the aforesaid Commission more recently stated that "a ferry (trap) car contains one or more l.c.l. shipments, is either loaded by

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[5] Apparently there is no tariff provision of general application to this effect. However, in Item No. 2170 of Southern Pacific Company Freight Tariff No. 230-K, which sets forth the conditions under which trap-car service will be provided from that company's team tracks to its depot for movement beyond the switching limits, Note 2 provides that in lieu of performing switching service at San Francisco, Oakland, Alameda, San Leandro, Richmond, Los Angeles and Tucson, the carrier at its option will perform a service equivalent to switching, by drayage, at its expense.

[6] 167 ICC 355,361

shippers or unloaded by consignees, but the freight is usually handled one or more times in transit by the carriers."[7] (Emphasis supplied).

Rules and charges relating to trap-car service are set forth in Southern Pacific Company Tariff No. 230-K. While the entry "Trap Car Service" in the index of that tariff makes reference to numerous items, said expression is not employed in most of the items. Instead, the items in question generally employ the term "Less-than-carload switching", and in most instances the items provide that such switching will be done free of charge, at the stations affected, subject to the observance of certain minimum line-haul revenue requirements.

The aforesaid Tariff No. 230-K contains no definition of a trap car of general application. However, in Item No. 230 of the tariff, which contains provisions relating to trap-car switching at stations in Arizona, Nevada and Oregon, a trap car is defined as follows:

> "The term 'trap car' is applied to a car placed at an industry having an individual or private side track, loaded with less-than-carload freight to be switched to a freight station, forwarded to a transfer point for rehandling, or sent direct to destination; also to a car containing less-than-carload freight switched from a freight station or yard to an industry having an individual or private side track. Outbound cars from the industry must contain weight specified from one consignor. Inbound cars to the industry must contain weight specified for one consignee. Two or more companies subject to common ownership or control may be considered as one consignor or one consignee as the case may be." (Emphasis supplied).

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[7] 269 ICC 553,562

The provisions containing this definition were also in effect during the time in which the transportation here in issue took place. The fact that said definition is buried in an item of specific application in the carrier's terminal tariff does not bar it from being considered typical of what the designation "trap car" means generally on Southern Pacific rails, and elsewhere.[8]

It is clear from the above-quoted definitions that a trap car may contain less-than-carload freight which moves through from consignor's siding at point of origin to consignee's siding at point of destination without transfer from one car to another at an intermediate point. An essential difference between a carload shipment and a less-than-carload shipment is that in the case of the former the shipper has the exclusive use of the freight car during the entire trip whereas in the case of less-than-carload movements the carrier is at liberty to include other shipments. Thus, in the instance of a through trap-car movement without transfer, other less-than-carload shipments could be placed in the car at its station of origin, for example, and removed therefrom at its destination station before the car is switched to the consignee's siding.

In the light of the foregoing considerations, trap-car service contemplates the possibility under tariff provisions in effect at time of movement, of a less-than-carload shipment of loose 1-quart tin cans, properly braced for safe transportation, being transported via the route of movement involved herein, from complainant's siding at San Leandro to the Richfield plant at Watson,

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[8] Pacific Electric Railway Tariff No. 2-K contains the provisions relating to less-than-carload or trap-car switching at Watson and other points served by that company. The tariff does not define the term "trap car".

without transfer of the cans en route.[9] This having been established, we return to consideration of the liberalized packing rule in Pacific Southcoast Freight Bureau Tariffs Nos. 255-F and 255-G. As we found in the original decision, that rule is so worded as to permit the movement, under the rates named in those tariffs, of less-than-carload shipments of 1-quart tin cans, loose, so long as their movement in such circumstance is reasonably safe and practicable, and that said rule, to that extent, superseded the prohibition in Exception Sheet No. 1-S against the acceptance of loose cans as less than carload shipments. We here reaffirm that finding, together with our finding that the second-class rating is applicable to shipments so transported.[10]

We do not find any ambiguity in the language of the liberalized packing rule. But even if there were, by long-established principle such ambiguity would be resolved in favor of the shipper. If the rule as we have construed its meaning is more liberal than the participating carriers mean it to be, they may take steps to make the rule more restrictive in its application, which, of course, would involve securing authority from this Commission, upon adequate justification, for the resulting increases in rates and charges.

Having reaffirmed the findings of the original decision relative to the existence of second class rates on less-than-carload shipments of loose, but properly braced, tin cans under the provisions

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[9] The record shows that, even were such a through trap car to contain as many cans as could safely and practicably be loaded therein, there would still be space between the doors in which other small shipments could be loaded by the carrier for movement between freight terminals.

[10] In this connection, it is pertinent to observe that the finding that 1-quart tin cans may, by the terms of the liberalized packing rule, be shipped loose in less-than-carload quantities, when properly braced, is not made the less certain merely because the carrier, under the terms of its terminal tariff, may elect to substitute drayage service at Oakland for trap-car service. (San Leandro is within switching limits of Oakland on the Southern Pacific).

of tariffs Nos. 255-F and 255-G, we turn to consideration of the alternative rate provisions of Items Nos. 700 and 125 of those tariffs, respectively. The rule in these items provided, and still provides, that, subject to exceptions not here pertinent, when charges on a carload shipment based on the carload rate and actual or authorized estimated weight, subject to the minimum carload weight, exceed the charges that would accrue on the same lot of freight if taken as a less-than-carload shipment, computed upon the weight of the shipment but not less than the minimum weight governing the carload rate, the lower of such charges will apply. Note 1 of the rule provides that the less-than-carload rate will be assessed on actual or authorized estimated weight when the car is loaded to full visible capacity.[11]

The record shows that none of the cars involved in this complaint was loaded to full visible capacity.[12] Therefore, in applying the alternative rate provisions of the class rate tariffs to the shipments in question it is necessary to calculate charges at the less-than-carload rates based on the applicable carload minimum weight, since in all instances the latter exceeded the actual weights of the shipments. The less-than-carload rates which would

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11 Note 1 became applicable via the defendant carriers herein on October 22, 1958. Three of the shipments here in issue moved prior to that date.

12 It is important that the distinction between the expressions "car fully loaded", in Rule 15 of the Western Classification, and "car loaded to full visible capacity", in Item No. 125 of Tariff No. 255-G, be understood. As stated in the original decision, the term "fully loaded" must be given a practical meaning, and it is well established that when a car is loaded as fully as safety to the lading (tin cans, in this instance), will permit, the car is fully loaded within the meaning of that expression as used in the above-mentioned classification rule. The same reasoning cannot be applied to the expression "Car loaded to full visible capacity".

apply to these same lots of tin cans had they been tendered and handled as less-than-carload shipments are the second class 10,000-pound lot rates. These are all higher than the carload commodity rates which were assessed, and when the minimum weights associated with the latter are applied to said 10,000-pound lot rates the resulting charges are higher, in all instances than those which resulted under the carload commodity rates, and at which complainant was billed by defendants.

Finding 1.

We find on rehearing that no overcharges exist on the shipments here in issue by reason of failure of defendants to apply second class rates under governing alternative rate provisions. The carload commodity rates were lawfully applicable.[13] This finding supersedes the contrary finding stated in the original decision.

We turn now to the allegation of complainant that the assessed rates and charges were unjust and unreasonable. The shipper does not complain that the applicable carload commodity rates are unreasonable considered by themselves, or in comparison with other carload commodity rates. The allegation is predicated on the fact that the same shipments, had they been tendered and handled as less-than-carload shipments would have been assessed lower charges, based on the second class less-than-carload 10,000-pound lot rates.[14] In the opinion of complainant's principal witness, it is unreasonable to charge more for a carload than for the same lot of freight taken as a less-than-carload shipment.

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[13] Defendants found that in some instances slightly lower charges than originally contended for by them result under application of certain mixed carload provisions of the Exception Sheet. They propose to make refunds to reflect the lower basis.

[14] The actual weight of most of the shipments was in the neighborhood of 16,000 pounds; a few weighed in excess of 20,000 pounds. For shipments in 50-foot cars the carload minimum weights were 19,600 and 24,000 pounds, for the respective alternating carload commodity rates.

This brings into question the reasonableness of the requirement in the alternative rate rule that the carload minimum weight shall be observed in applying the less-than-carload rate. The rate witness for defendants testified that this requirement was placed in the rule in view of the fact that when a less-than-carload rate is applied to a carload shipment alternatively the carrier is deprived of the privilege of loading any other freight in the car, since the consignment is still a carload shipment, whereas, if the freight had been tendered as a less-than-carload shipment, the carrier would have control over the disposition of the remaining space, if any, and could utilize it for additional shipments. The reasonableness of the rule is further borne out, the witness indicated, by the proviso in the rule to the effect that when the car is loaded to full visible capacity the less-than-carload rate will be applied to the actual weight of the shipment.

Defendants adduced other evidence designed to establish the reasonableness of the carload commodity rates here in issue. A transportation analyst of Southern Pacific introduced an exhibit in which was shown the development of estimated out-of-pocket costs of handling tin cans in 50-foot box cars from San Leandro to Watson with net loadings of 15,000 and 20,000 pounds, respectively. These estimates were $178 for a 15,000-pound shipment, and $181 for a 20,000-pound shipment. According to the witness, these out-of-pocket cost estimates, which do not include loss and damage expense, were developed by use of a formula which has been used many times in the past before this Commission and other regulatory bodies.

Taking two representative shipments as examples, defendants' traffic witness pointed out that, the revenue received for transporting these cars of cans amounted to approximately 8 percent, in one instance, and 28 percent, in the other, more than the aforesaid

estimated out-of-pocket costs. Even the excess of 28 percent over out-of-pocket costs he considered to be marginal. In his opinion rates which return less than 150 percent of the estimated out-of-pocket costs would not give the carrier fair compensation for the services involved. It is to be noted that the out-of-pocket costs used in these comparisons were presumably current as of the date of rehearing. Presumably the figures applicable during the period of movement would be a little lower.

In the absence of full cost data, the validity of the above-mentioned figure of 150 percent as a measure of reasonableness of rates cannot be determined. In any event, the evidence does not support a finding that the carload commodity rates herein found applicable exceed maximum reasonable levels.

We turn now to the allegation that the carload rates assessed are unreasonable to the extent that charges based thereon exceed those which would apply on the same lots of freight taken as less-than-carload shipments. This, in effect, is an allegation that the requirement that the carload minimum weight is to be observed when applying less-than-carload rates under alternative provisions is unreasonable. The reasons advanced by defendants as justification for that requirement have been hereinbefore stated. In the light of those considerations the tariff provision in question does not appear unreasonable.

Finding No. 2.

We find that the requirement, set forth in Item No. 125 of Pacific Southcoast Freight Bureau Tariff No. 255-G, and in the corresponding item of that Bureau's Tariff No. 255-F, has not, on this record, been shown to be unreasonable.

There remains for disposition one other aspect of the allegation of unreasonableness. The carload commodity rates applicable to many of the shipments was 19,600 pounds, the weight of said

shipments being considerably less than that figure. At the same time, the second class less-than-carload 20,000-pound lot rates, being lower than the applicable carload commodity rates, produced lower charges, even when observing the minimum weight of 20,000 pounds, than resulted under the carload rates. These less-than-carload rates, however, could not be applied under the alternative rate provisions, even though they cleared the carload minimum weight requirement of that rule. The reason for this is found in the language in the rule in question reading "the same lot of freight if taken as an L.C.L. shipment". Had the lots of freight been tendered and handled as less-than-carload shipments they would have been subject, as hereinbefore stated, to the second class less-than-carload 10,000-pound lot rates at actual weight, since that basis would have resulted in lower charges per shipment than at the 20,000-pound lot rates.[15] In this connection, Item No. 70 of Tariff 255-G reads as follows: "When two or more L.C.L. or any quantity rates are provided in the same rate item for application on the same commodity from and to the same points, apply that rate which results in the lowest charge based upon the actual or authorized estimated weight of the shipment, but not less than the minimum published in connection with the rate used."

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15 The following table illustrates the relationship of the rates and charges in question as applied to one of the shipments, weighing 16,259 pounds:

(1) Charges at carload rate of 101 cents,
Minimum weight 19,600 lbs. .....$197.96.
(2) Charges at l.c.l. lot rate of 95 cents,
Minimum weight 20,000 lbs. $190.00
(3) Charges at l.c.l. lot rate of 108 cents,
Minimum weight 10,000 lbs. $175.60
(4) Charges at l.c.l. lot rate of 108 cents,
but observing carload minimum weight, ...$211.68

It is clearly unreasonable that, merely because of the technicalities of tariff language in Items Nos. 70 and 125 of Tariff No. 255 series, the lower charges resulting under the second class less-than-carload 20,000-pound lot rate cannot be applied, even though such application would protect the carload minimum weight requirement of said Item No. 125.

Finding No. 3.

We find that the charges assessed on those shipments here in issue which were subject to a carload minimum weight of 19,600 pounds, excluding those shipments which are barred by the two-year statute of limitations set forth in Section 735 of the Public Utilities Code, were unjust and unreasonable to the extent that they exceeded charges produced by application of the second class less-than-carload 20,000-pound lot rates applicable at time of movement, that balance due bills relating to said shipments should be canceled to the extent that they exceed the latter basis of charges, and that any charges collected on said shipments in excess of said latter basis of charges should be refunded to complainant.

Finding No. 4.

We find that the provisions of Items Nos. 70 and 125 series of Pacific Southcoast Freight Bureau Tariff No. 255-G are and will be for the future unjust and unreasonable insofar as they bar the application of the 20,000-pound less-than-carload lot rates named in said tariff to carload shipments of loose sheet iron or steel cans, liquid capacity exceeding one gill but not exceeding one gallon, transported from San Leandro to Watson via the route of movement herein, when said less-than-carload rates result in lower charges than obtain under the applicable carload rate and when at the same time, compliance is had with the requirement of said Item No. 125 that the applicable carload minimum weight must be protected in

connection with the less-than-carload rates. We further find that defendants should be required so to revise the provisions of said Tariff No. 255-G as to permit the above-described alternation of rates.

Complainant offered some evidence to support the allegations of disadvantage and prejudice. However, the showing was not persuasive.

In conclusion it should be observed that the rate relationships brought to light by the complaint herein are anomalous. Tin cans are a lightweight commodity. Thus, in most instances, the carloads of cans, shipped in 50-foot box cars, and loaded to the maximum degree that safe transportation would permit, weighed in the neighborhood of 16,000 pounds. A sliding scale of carload commodity rates, designed for this transportation, reflected minimum weights of 14,000, 20,000 and 30,000 pounds, respectively, for shipments in 40-foot cars, and 19,600, 24,000 and 42,000 pounds, respectively, for shipments in 50-foot cars.[16] At the same time, there was in effect a series of second class lot rates applicable to less-than-carload shipments, the weight brackets ranging from the so-called "any-quantity" lot up to that having a minimum weight of 20,000 pounds. Thus, for a commodity which, in a fully loaded 50-foot car might weigh only 16,000 pounds, there was concurrently in effect a less-than-carload rate subject to a minimum weight of 20,000 pounds.

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[16] The Western Classification provides a sliding scale of carload class ratings of 55, 50 and 40 percent of first class rates, respectively, subject to minimum weights substantially the same as those set forth above. However, in all instances the above-mentioned commodity rates produced, at time of movement, and still produce lower charges than reflected by the corresponding carload class rates.

Following is a comparison of carload and less-than-carload rates and charges which were in effect on 1-quart tin cans from San Leandro to Watson at the beginning of the period during which the shipments here in issue were transported.

Rate (Cents)	Car Length (Feet)	Minimum Weight Pounds	Minimum Charge
		Less Than Carload	
221	---	Any Quantity	---
139	---	4,000	$55.60
108	---	10,000	108.00
95	---	20,000	190.00
		Carload	
101	40	14,000	$141.40
101	50	19,600	197.96
85	40	20,000	170.00
85	50	24,000	204.00
74	40	30,000	222.00
74	50	40,000	310.80

The situation described above still prevails, although the levels of the rates have changed. It is to be understood, of course, that the carload commodity rates apply on cans of all sizes. With smaller cans the maximum carload weight, under safe loading conditions, would be greater than with the cans involved herein. The record shows also that cans in packages can be loaded more heavily than is practicable with bulk shipments. In any event, it is expected that defendants will endeavor to develop, by means of a practicable tariff adjustment, a solution to the problem of removing the above-described anomaly.

In the rehearing of this matter defendants adduced certain evidence relative to the question of the safety and practicability of handling cans, loose versus packaged, which has not been discussed herein. All the evidence of record has been carefully considered in reaching the conclusions hereinbefore set forth.

O R D E R

IT IS ORDERED that:

1. Defendants Southern Pacific Company and Pacific Electric Railway Company are directed to cancel balance due bills outstanding against those shipments here in issue which were subject to a carload minimum weight of 19,600 pounds, excluding such shipments as are barred by the two-year statute of limitations set forth in Section 735 of the Public Utilities Code, to the extent that said balances due exceed charges produced by application of the second class less-than-carload 20,000-pound lot rates in effect at time of movement, and to pay to complainant, with interest at six percent per annum, any amounts collected as transportation charges for said shipments in excess of the charges produced by the aforesaid 20,000-pound lot rates, as reparation for the unreasonable charges assessed on said shipments.

2. Defendants are directed to so amend Pacific Southcoast Freight Bureau Tariff No. 255-G as to permit the application of the second class less-than-carload 20,000-pound lot rates on carload shipments of loose sheet iron or steel cans, liquid capacity exceeding one gill but not exceeding one gallon, transported from San Leandro to Watson via the route involved in this proceeding, when said less-than-carload rates, at actual weight but not less than said minimum weight of 20,000 pounds and not less than the applicable carload minimum weight, produce lower charges on said carload shipments than result under the applicable carload rate and minimum weight, but where said less-than-carload 20,000-pound lot rates would not, under the terms of Item No. 70 of said Tariff No. 255-G, be the applicable less-than-carload rates on the same lots of freight if taken as less-than-carload shipments. Said revised tariff provisions shall be published, filed and maintained until further order of the Commission.

3. Defendants, in establishing and maintaining the tariff provisions hereinabove directed, are authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are hereby modified only to the extent necessary to comply with this order; and schedules containing the provisions published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

4. When the actions directed by ordering paragraphs 1 and 2 above have been taken defendants shall so advise the Commission in writing.

5. The order in Decision No. 63308 in this proceeding is rescinded.

The Secretary is directed to cause a certified copy of this order to be served upon Southern Pacific Company and upon Pacific Electric Railway Company in accordance with law and said order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 28th day of May, 1963.

President

Acting President

Commissioners

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.