

**ORIGINAL**

Decision No. 70174

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
M. A. NELSON, Agent, for authority )  
to increase transit charges set )  
forth in Pacific Southcoast Freight )  
Bureau Tariffs 175-F and 194-T. )

Application No. 47728  
(Filed July 7, 1965;  
Amended November 12, 1965)

In the Matter of the Investigation )  
into the rates, rules, regulations, )  
charges, allowances and practices )  
of all common carriers, highway )  
carriers and city carriers relating )  
to the transportation of any and )  
all commodities between and within )  
all points and places in the State )  
of California (including, but not )  
limited to, transportation for )  
which rates are provided in )  
Minimum Rate Tariff No. 2). )

Case No. 5432  
Order Setting Hearing  
Dated August 3, 1965

And Related Matters.

Cases Nos. 5436, 5438,  
5440, 5603,  
5604, 7857.

OPINION AND ORDER

By this application M. A. Nelson, Agent, Pacific Southcoast Freight Bureau, <sup>1/</sup> seeks authority on behalf of the California rail lines to increase transit charges.

At present a charge of \$20 per car is provided for the service of stopping a car in transit to complete loading or to partly unload. Applicant seeks authority to increase this charge to \$22 per car. The charge is set forth in Item 2310-D, Supplement 65 of PSFB Tariff 175-F, and in Items 50-F and 930-G, Supplement 50 of PSFB Tariff 194-T.

1/ Hereinafter sometimes referred to as PSFB.

An amendment to the application contains a study, made by Southern Pacific's Bureau of Transportation Research, of the estimated out-of-pocket cost to provide stop-off in transit service. The study shows the average cost at typical points in California amounts to \$34.89 per car, or \$12.89 more than the sought charge of \$22. Applicant also states that the increase from \$20 to \$22 per car became effective May 27, 1965 on interstate traffic and on intrastate traffic in the states of Arizona, Nevada, New Mexico, Oregon and Utah.

No protests to the granting of the application have been received.

It appears and the Commission finds, that the proposed increase in stop-in-transit charges to \$22 per car is justified. We conclude that the application should be granted. A public hearing is not necessary.

Proceedings in the minimum rate cases were consolidated with the application for the purpose of enabling the Commission to consider the effect of the proposed railroad rates upon the minimum rates and the rates of common carriers maintained at levels competitive with those of the railroads. Alternatively applied railroad rates maintained by other common carriers are lower than the specific minimum rates found reasonable by the Commission and are lawful because the alternative provisions of the minimum rate tariffs permit common carriers to meet the competition of other carriers, such as the railroads, which are authorized to maintain rates lower than the established minimum rates. The lower rail rates will be increased pursuant to the authority granted herein; therefore, common carriers should be directed to increase rates maintained under said alternative provisions to the level of the increased rail rates, or to the level

of the specific minimum rates, whichever is lower. The increases necessary to maintain the competitive relationships between carriers are justified.

Therefore, good cause appearing:

IT IS ORDERED that:

1. M. A. Nelson, Agent, Pacific Southcoast Freight Bureau, on behalf of the railroads listed in Appendix A to Application No. 47728, is authorized to establish the tariff provisions proposed in said application. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof, on not less than ten days' notice to the Commission and to the public.
2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.
3. Common carriers maintaining, under outstanding authorizations permitting the alternative use of rail rates, rates below the specific minimum rate levels otherwise applicable on the commodities and between the points for which increases are authorized in ordering paragraph 1 hereof, are authorized and directed to increase such rates, on not less than ten days' notice to the Commission and to the public, to the level of the rail rates established pursuant to ordering paragraph 1 hereof, or to the level of the specific minimum rates, whichever is lower; such increases shall be made effective not later than thirty days after the effectiveness of the increased rail rates.
4. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby 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 rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

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

Dated at San Francisco, California, this 4<sup>th</sup> day of January, 1966.

Frederick B. Holloff  
President

W. E. Hatchell

George E. Crover

Augusta

William B. Dumas  
Commissioners