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ORIGINAL

Decision No. 76403

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application 6302 of PACIFIC SOUTHCOAST )  
FREIGHT BUREAU under the Shortened )  
Procedure Tariff Docket for authority )  
to cancel Items of PSFB Tariff 294-E )  
as shown below. )

(SPT) Application No. 50900  
(Filed February 19, 1969;  
Amended February 25 and  
May 13, 1969)

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

And Related Matters.

Cases Nos. 5330, 5436,  
5438, 5440, 5603 and  
7858

Albert T. Suter and Leland E. Butler, for Pacific  
Southcoast Freight Bureau, applicant.  
R. C. Fels, for Furniture Manufacturers Association  
of California; W. Paul Tarter, for William Volker &  
Company; and James L. Roney, for Dart Transportation  
Service; interested parties.  
John W. Henderson, for the Commission staff.

O P I N I O N

Pacific Southcoast Freight Bureau, on behalf of the carriers participating in the rates in its Tariff 294-E, seeks authority to cancel certain class and commodity rates in said tariff as set forth in the amended application. Tariff 294-E contains rates applicable to the movement of trailers on flat cars (so-called piggyback service, also called TOFC).

Public hearing was held July 10, 1969, at San Francisco before Examiner Turpen. No one protested the granting of the application.<sup>1/</sup> Traffic and cost witnesses from both the Southern Pacific and the Santa Fe railroads presented evidence in support of the application. A rate expert from the Commission's staff assisted in developing the record by cross examination of the witnesses.

The record shows that this application seeks the cancellation of all the remaining Plan II TOFC intrastate rates applicable between the San Francisco Bay Area and Southern California.<sup>2/</sup> Shippers would then have available rates covering movements in boxcars or under Plan II 1/2 TOFC.<sup>3/</sup>

The testimony shows that several years ago the railroads became concerned with the rapidly increasing cost of providing this service, due to high terminal and labor costs. According to the witnesses, studies were made, and every effort possible made to reduce the costs, but the margin between expenses exceeding revenues continued to increase. The rail lines finally concluded that these rates should be cancelled. A Santa Fe witness testified that

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- <sup>1/</sup> Letters had been received from several shippers protesting the application, but all protests were withdrawn a few days before the scheduled date of the hearing.
  - <sup>2/</sup> In Plan II, the carrier loads the trailer at the shipper's place of business, transports it to the railroad ramp, loads it on a flat car, moves it to destination, takes it to the consignee and unloads it.
  - <sup>3/</sup> Under Plan II 1/2, the shipper picks up an empty trailer from the railroad, loads it, and delivers it to the carrier at the ramp location. At destination, the consignee picks up the trailer, unloads, and returns the empty trailer to the railroad.

a shipper that accounted for 85 percent of the Santa Fe traffic here involved has already changed over to boxcar service. According to the various witnesses, other principal users of this service are willing to switch to other means of transportation.

Applicant alleges that the proposal herein was the subject of a docket procedure (PSFB Proposal 6512) which was publicized in the Traffic Bulletin of June 15, 1968 and that copies of said proposal were furnished to approximately 1,700 persons or firms.

The Commission finds that:

1. The increases resulting from the cancellation of the class and commodity rates as proposed in the amended application herein are justified.

2. Common carriers maintaining, under outstanding authorizations permitting the alternative use of rail rates, rates below the specific minimum rate levels otherwise applicable should be authorized and directed to increase such rates to the level of the rail rates established pursuant to this decision, or to the level of the specific minimum rates, whichever is lower, and to cancel such rates in the event competitive rates are no longer published in rail tariffs.

We conclude that the application, as amended, should be granted. We further conclude that common carriers maintaining rates under the alternative provisions of the various minimum rate tariffs on the level of rail rates authorized to be cancelled should be directed by Commission order to effect publication in their tariffs of rates no lower in volume or effect than the rail carload rates otherwise applicable to such transportation, or to the applicable minimum rates, whichever are lower; to the extent that relief from the long- and short-haul provisions of the Constitution and the Public Utilities Code is necessary, such relief also is justified and should be granted.

O R D E R

IT IS ORDERED that:

1. Pacific Southcoast Freight Bureau, applicant, on behalf of carriers participating in its Tariff 294-E, is authorized to establish the increased rates as proposed in the amended application herein.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than thirty days after the effective date hereof on not less than thirty days' notice to the Commission and to the public.

3. The authority granted hereinabove shall expire unless exercised within ninety days after the effective date of this order.

4. Common carriers maintaining, under outstanding authorizations permitting the alternative use of rail rates, rates below the specific minimum rate levels otherwise applicable, are authorized and directed to increase such rates to the level of the rail rates established pursuant to the authority granted in paragraph 1 hereof or to the level of the otherwise applicable specific minimum rates, whichever is lower. To the extent such common carriers have maintained such rates at differentials above previously existing rail rates, they are authorized to increase such rates by the amounts authorized in paragraph 1 hereof; provided, however, that such increased rates may not be lower than the rates established by the rail lines pursuant to the authority granted in paragraph 1 hereof, nor higher than the otherwise applicable minimum rates.

5. Tariff publications required or authorized to be made by common carriers as a result of the preceding ordering paragraph may be made effective not earlier than the effective date of the publication

by applicant made pursuant to the authority granted in paragraph 1 hereof, on not less than thirty days' notice to the Commission and to the public; such tariff publications as are required shall be made effective not later than thirty days after the effective date of the tariff publications made by applicant pursuant to the authority granted in paragraph 1 hereof.

6. Common carriers maintaining, under outstanding authorizations permitting the alternative use of rail rates, rates based on rail rates which have been changed or cancelled and which are below the specific minimum rate levels otherwise applicable, are hereby directed to increase such rates to applicable minimum rate levels, and to abstain from publishing or maintaining in their tariff rates, charges, rules and accessorial charges lower in volume or effect than those established in rail tariffs or the applicable minimum rates, whichever are lower.

7. Tariff publications required to be made by common carriers as a result of the preceding ordering paragraph may be made effective not earlier than the effective date of this order on not less than thirty days' notice to the Commission and the public and shall be made effective not later than ninety days after the effective date of this order.

8. In making tariff publications authorized or required by paragraphs 4 through 7, inclusive, common carriers are authorized to depart from the terms and rules of General Order No. 80-A, to the extent necessary to comply with said orders.

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9. 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 12<sup>th</sup>  
day of NOVEMBER, 1969.

William Symons, Jr.  
President

Augustin  
J. P. Dickerson

Frank  
Wm. L. Stinson  
Commissioners