

*Process Office*  
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Decision No. 91589

APR 15 1980

CONFIDENTIAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the Pacific South- )  
coast Freight Bureau for Author- )  
ity to Make Effective on Cal- )  
ifornia Intrastate Traffic )  
General Increases in Local and )  
Joint Freight Rates and Charges )  
as Published in Tariff of In- )  
creased Rates and Charges, X-374 )

Application No. 59476  
(Filed February 26, 1980)

And Related Matters )

- Case No. 5330
- Case No. 5432
- Case No. 5433
- Case No. 5436
- Case No. 5437
- Case No. 5438
- Case No. 5439
- Case No. 5441
- Case No. 5603
- Case No. 5604
- Case No. 7857
- Case No. 7858
- Case No. 8808
- Case No. 9819
- Case No. 9820

OPINION AND ORDER

Pacific Southcoast Freight Bureau, on behalf of California common carriers<sup>1/</sup> participating in its tariffs, requests authority to make effective on California intrastate traffic the same freight rate increases which became effective February 27, 1980, on interstate traffic in Tariff of Increased Rates and Charges X-374.<sup>2/</sup>

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1/ The common carriers are listed in Exhibit A attached to the application and Appendix A of this order.

2/ The increases which are contained in Tariff of Increased Rates and Charges X-374 and Supplement I thereto are set forth in Exhibit K attached to the application.

The increase approved by the Interstate Commerce Commission on interstate traffic is an interim emergency 2 percent general increase for the western railroads only. The present application to increase intrastate rates details increases in labor cost elements which have been experienced since January 1, 1980. These labor cost increases were not provided for in Decision No. 91222, dated January 8, 1980 in Application No. 59299 (X-368-A). The I.C.C. approved the 2 percent increase as an interim emergency general rate increase and placed an expiration date on the increase of not later than May 1, 1980.

The I.C.C. has a related proceeding (Ex Parte 375 Increased Rates and Charges Nationwide - 1980) in which all railroads nationwide are seeking a 4 percent general increase in rates, effective April 1, 1980. If approved, the 4 percent increase would absorb the 2 percent increase previously authorized. If suspended the 2 percent rate increase would continue in effect until May 1, 1980.<sup>3/</sup>

Applicant alleges that the increases proposed herein would yield an estimated additional annual gross revenue of \$2.8 million for the Class 1 California railroad applicants. Applicant projects that daily losses of \$7,795 are being experienced by the Class 1 California railroads and requests that the proposed increase be made effective immediately. Financial data detailing supporting justification for the proposed increases are set forth in Exhibits L through Q attached to the application.

The present application seeks authority to increase all the charges provided in Decision No. 91222 by the amounts set forth in Tariff of Increased Rates and Charges X-374 and Supplement 1 thereto. The proposed increases would apply to the interim increase granted by the Commission on wood chips and sugar beets, and, also whatever further increase may be approved by the Commission on rates on wood chips and sugar beets in pending proceedings.<sup>4/</sup>

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<sup>3/</sup> TIRC X-375-A was made effective on interstate traffic April 1, 1980.

<sup>4/</sup> Decision 91502, dated April 2, 1980 in Application 58543 authorized increases on sugar beets and wood chips to the level of TIRC X-357-A.

Nationally, the Council on Wage and Price Stability protested the increase, arguing that the proposal may not comply with its price standards. The I.C.C. will consider this matter when considering the 4 percent increase proposal.

Findings

1. Applicant seeks to increase intrastate rail freight rates and charges to the levels named in TIRC X-374.

2. Applicant's present intrastate freight rates and charges were authorized by Decision No. 91222, dated January 8, 1980 (TIRC X-368-A).

3. The application shows that the proposed increases would produce an additional annual gross revenue of approximately \$2.8 million for the Class 1 railroad participants to the tariff.

4. The Interstate Commerce Commission has approved the increases contained in TIRC X-374 for application to interstate traffic within the Western Territory.

5. The Interstate Commerce Commission has established an expiration date of May 1, 1980 on the TIRC X-374 2 percent increase.

6. The Interstate Commerce Commission will consider whether the increase is within the price standards as set forth by the Council on Wage and Price Stability when considering the 4 percent rate increase proposal in Ex Parte X-375.

7. The proposed increase would apply to the interim increase granted by the Commission on wood chips and sugar beets (Dec. 90134), and, also whatever increase is finally approved by this Commission on rates on wood chips and sugar beets in pending proceedings.

8. Notice of the filing of the application appeared on the Commission's Daily Calendar of February 27, 1980.

9. An increase to the levels named in TIRC X-374 in applicant's freight rates and charges, other than commodity rates for the transportation of wood chips and sugar beets as set forth above, is justified and should be granted.

10. Limited authority to depart from the provisions of Section 461.5 of the Public Utilities Code should be granted.

11. Limited authority to depart from the terms and rules of General Order 80-Series and 125-Series should be granted.

12. A public hearing is not necessary.

13. The proposed increase in applicant's rates and charges has been shown to be justified.

14. In view of the fact that the proposed increase will bring applicant's intrastate rates into conformity with interstate rates subject to an expiration date of May 1, 1980, the ensuing order shall contain a similar expiration date.

15. In view of the fact that the proposed increase will bring applicant's intrastate rates into conformity with rates already in effect for interstate transportation, the ensuing order should be made effective on the date hereof.

Conclusion

We conclude that the applicant should be granted the relief specified herein.

IT IS ORDERED that:

1. Pacific Southcoast Freight Bureau, on behalf of the common carriers listed in the application, is authorized to establish by appropriate tariff supplements the same increases on California intrastate rates and charges under the same conditions as authorized by orders of the Interstate Commerce Commission as set forth in Tariff of Increased Rates and Charges X-374 which became effective on interstate traffic February 27, 1980.

*Process Office* Pm. 5063  
*4/15*

A. 59476 - IE\*

2. Tariff publications authorized to be made as a result of the foregoing authority shall be filed not earlier than the effective date of this order and 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, and said authority shall expire unless exercised within sixty days after the effective date of this order. To the extent that departure from the terms and rules of General Orders 80-Series and 125-Series is required to accomplish such publications, authority for such departure is hereby granted.

3. Nothing in this opinion and order constitutes a finding of fact regarding the reasonableness of any particular rate or charge filed pursuant to this order, and applicant, by reason of this declaration, has no ground to contend to the contrary in any proceeding under Section 734 of the Public Utilities Code or in any other proceeding.

4. Common carriers maintaining, under outstanding authorization 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. Common carriers maintaining, under outstanding authorization permitting the alternative use of rail rates, rates based on rail rates which have been changed or canceled 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.

6. Tariff publications required or authorized to be made by common carriers as a result of paragraph 3 hereof may be made effective not earlier than the tenth day after the publication by applicant made pursuant to the authority granted in paragraph 1 hereof, on not less than ten days' notice to the Commission and to the public; and 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 said paragraph 1.

7. In making tariff publications authorized or required by paragraphs 4 through 6, inclusive, common carriers are authorized to depart from the terms and rules of General Order No. 80-Series to the extent necessary to comply with said ordering paragraphs.

8. Applicant and common carriers, in establishing and maintaining the rates authorized hereinabove, are authorized to depart from the provisions of Section 461.5 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.

A. 59476 - IE

9. The increase authorized in paragraph 1, herein, shall expire May 1, 1980 unless the Interstate Commerce Commission approves the Ex Parte 375, Increased Freight Rates and Charges Nationwide - 1980.

The effective date of this order is the date hereof.

Dated APR 15 1980, at San Francisco, California.

President

*James L. Sturgeon*

*Richard D. Howell*

*Clay T. Johnson*

*Arnold W. Bryson*

Commissioners

Commissioner John E. Bryson,  
being necessarily absent, did  
not participate.

APPENDIX A

Alameda Belt Line	(a California Corporation)
Almanor Railroad Company	(a California Corporation)
Amador Central Railroad Company	(a California Corporation)
Arcata & Mad River Railroad Company (The)	(a California Corporation)
Atchison, Topeka and Santa Fe Railway Company (The)	(a Kansas Corporation)
Burlington Northern	(a Delaware Corporation)
California Western Railroad Camino, Placerville and Lake Tahoe Railroad Company	(a California Corporation)
Central California Traction Company	(a California Corporation)
Fikse Brothers Incorporated	(a California Corporation)
Harbor Belt Line Railroad	(unincorporated)
Holton Inter-Urban Railway Company	(a California Corporation)
Los Angeles Junction Railway Company	(a California Corporation)
McCloud River Railroad Company	(a California Corporation)
Miles & Sons Trucking Service	(a California Corporation)
Modesto & Empire Traction Company	(a California Corporation)
Northwestern Pacific Railroad Company	(a California Corporation)
Oakland Terminal Railway (The)	(a California Corporation)
Pacific Motor Trucking Company	(a California Corporation)
Petaluma and Santa Rosa Railroad Company	(a California Corporation)
Quincy Railroad Company	(a California Corporation)
Sacramento Northern Railway	(a California Corporation)
Santa Fe Trail Transportation Company (The)	(a Kansas Corporation)
Santa Maria Valley Railroad Company	(a California Corporation)
Sierra Railroad Company	(a California Corporation)
Southern Pacific Transportation Company	(a Delaware Corporation)
Stockton Terminal & Eastern Railroad	(a California Corporation)
Sunset Railway	(a California Corporation)
Tidewater Southern Railway Company	(a California Corporation)
Trona Railway Company	(a California Corporation)
Union Pacific Railroad	(a Utah Corporation)
Ventura County Railway Company	(a California Corporation)
Visalia Electric Railroad Company	(a California Corporation)
Western Pacific Railroad System (The)	(a Delaware Corporation)
Yreka Western Railroad Company	(a California Corporation)