

Decision No. 14605

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Mojave Northern Railroad Company for an order permitting it to abandon its common carrier obligations, and to sell all of its property to Southwestern Portland Cement Company.

}
|
|
|
|
|
|

Application No. 10761

ORIGINAL

F. R. McNamee, for applicant.

SQUIRES, Commissioner:

O P I N I O N

The Railroad Commission is asked to make an order authorizing the Mojave Northern Railroad Company to abandon its obligations as a common carrier and to sell its properties to the Southwestern Portland Cement Company.

It is of record that during 1915 the Southwestern Portland Cement Company acquired large deposits of lime rock located about six miles northeasterly from Victorville and constructed a plant for the manufacture of Portland Cement, at a point on the Santa Fe Railroad about one mile north of Victorville in San Bernardino County. In order to provide a means of transporting its lime rock from its quarries to its plant it became necessary to acquire rights of way and build a railroad for such purpose. The cement company caused the Mojave Northern Railroad Company to be organized and acquired 495 shares out of a total of 500 shares of stock. The remaining five shares are held by directors. Since 1916 the Mojave Northern Railroad

Company has been, and is now, engaged in the business of a common carrier by railroad, operating a standard guage steam railroad from a point in the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 4, T. 5 N., R. 4 W., S.B.M., on the Santa Fe Railroad near Victorville, called "Leon", in a northeasterly direction, to the lime quarries of Southwestern Portland Cement Company, at its station called "Powell" in Sec. 11, T. 6 N., R. 4 W., S.B.M., a distance of approximately seven (7) miles, in the County of San Bernardino, State of California.

The testimony shows that the business of the railroad, both freight and passenger, other than the carrying of about three tons of mining supplies during the year of 1918, has been solely that of carrying lime rock, supplies and employees of the Southwestern Portland Cement Company. The person for whom the mining supplies were carried in 1918 has since sold his properties to the cement company. The testimony also shows that the territory traversed by the railroad is unsettled, a barren desert tract with no agricultural possibilities, and with no present or prospective tonnage of minerals, lime or clay products other than what is owned and controlled by the Southwestern Portland Cement Company.

All of the property of the Mojave Northern Railroad Company is managed and operated through officials and directors of the Southwestern Portland Cement Company. Upon the granting of this application the railroad will be operated as a plant facility. It is believed that under such operation the cost of operating the railroad can be materially reduced for the reason that it will not be necessary to keep separate accounts, reports, books and tariffs, etc.

As said, the Commission is asked to make an order authorizing the abandonment by the Mojave Northern Railroad Company of its obligations as a common carrier and further authorizing the company to sell all of its property to the Southwestern Portland Cement Company. After a consideration of the evidence, I find no

necessity for requiring applicant to continue operations as a common carrier and am of the opinion that the company's request to abandon its obligations as a common carrier should be granted and that it should be permitted to discontinue permanently its service as a common carrier. The Commission has heretofore held, and is now of the opinion, that when it authorizes a railroad company to discontinue operations and to abandon its common carrier obligations, the disposition of the company's properties thereafter is not a matter which falls within the jurisdiction of the Railroad Commission. (Volume 16, Opinions and Orders of the Railroad Commission of California, Page 399.) Therefore, such portion of this application as relates to the sale of the property of the Mojave Northern Railroad Company will be dismissed.

I herewith submit the following form of order:

O R D E R

Mojave Northern Railroad Company having applied to the Railroad Commission for an order authorizing it to discontinue its railway service and to abandon its obligations as a common carrier and sell its properties, a public hearing having been held, and the matter having been submitted and the Commission being fully advised and basing its order on the finding of fact as set forth in the preceding opinion,

IT IS HEREBY ORDERED that the Mojave Northern Railroad Company be, and it is hereby, permitted to abandon its obligations as a common carrier and to discontinue permanently its service as a common carrier from, and after, the date hereof.

IT IS HEREBY FURTHER ORDERED that for the reason appearing in the foregoing opinion, that portion of the application requesting permission to sell and transfer properties be, and the same is hereby dismissed.

The foregoing opinion and order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 26th day of February 1925.

H. B. Bunnell
Clarence V.
Egerton Shaw
George D. James
Greenwood

Commissioners.