

Decision No. 14735

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application )  
of Southern Pacific Company for )  
permission to Increase Certain )  
Rates on Empty Secondhand Cement )  
Sacks, Returning. . )

APPLICATION NO. 11479

F.W.Mielke and H.W.Klein, for Applicant.

C.F.Bovee, for Protestant, Old Mission Cement Company.

W.G.Higgins, for Protestant, Santa Cruz Portland Cement Company.

BY THE COMMISSION:

O P I N I O N

This is an application by the Southern Pacific Company, in accordance with Section 63 of the Public Utilities Act, to cancel certain carload and less carload rates applying on secondhand cement bags returning to their original forwarding point, from which the loaded outbound movement was made, as set forth in Items Nos. 1620 and 1640, carried on pages 112 and 113 of Southern Pacific Company Local Joint and Proportional Freight Tariff No. 730-C, C.R.C.2904.

The points principally involved are San Francisco, Oakland, Bay Point, Tolenas, Redwood City, Davenport and Chittenden.

A public hearing was held at San Francisco, November 6, 1925 before Examiner Geary, and the application having been duly

submitted is now ready for an opinion and order. Rates will be stated in cents per 100 pounds.

The rates carried in the items to be cancelled were first established March 26, 1917, being predicated upon 15 per cent. of the concurrently effective class rate applicable on new cement bags, i.e., fourth class less than carload and fifth class carload. These commodity rates continued in effect subject to the war time changes brought about by the increases June 25, 1918 (General Order No. 28), the increases August 26, 1920 (18 C.R.C. 646) and the reduction of 10 per cent July 1, 1922 (68 I.C.C. 676). It is in evidence that the rates were established to accommodate the reforwarding of used bags from one cement plant to another cement plant. The purchaser of cement is given an allowance for returning the empty cement bags to the mills and very often after having received consignments from different cement mills return the bags to the wrong destination because of failure to correctly read the trade marks. In this event the bags are reforwarded to the proper mills and the rates the carrier is now seeking to cancel are those primarily published to take care of this reforwarding movement due to shippers mistakes.

After cancellation of the commodity rates the charges will be assessed under the provisions of Items 310 and 330 of Pacific Freight Tariff Bureau Exception Sheet No. 1-J, C.R.C. 356, which provides for bags, less carload, the rate for outbound movement of cement, carloads, and this rate will also apply under amended Item 310 when bags are reforwarded to the original point from which the outbound shipment of cement moved, subject to a minimum rate of  $7\frac{1}{2}$  cents less carload, and for carload Class B,

minimum weight 12000 pounds, or Class E, minimum weight 30000 pounds, but not to exceed the less than carload charges.

Applicant contends that the proposed basis of rates is reasonable, per se, when the bags are reforwarded from one cement plant to another and that there is no justification for maintaining a lower basis for this service than for the bags returned direct to the point from which the outbound movement was made. In support of this contention applicant presented a number of exhibits comparing the rates on secondhand empty cement bags with other empty carriers transported between various points in California for distances of from 7 to 142 miles with the rates which will be in effect if this application is granted.

There appears to be no reason why cement bags requiring a second movement due to errors of shippers should be given preferential rates. A careful study of the exhibits and the testimony in connection therewith indicate that the standard basis in effect in California for other secondhand bags, returning, and here proposed for the reforwarded bags, is not unreasonable.

The cement manufacturers for whom the present commodity rates were originally established are practically in accord with applicant's contention and offered no testimony in opposition to the proposed adjustment.

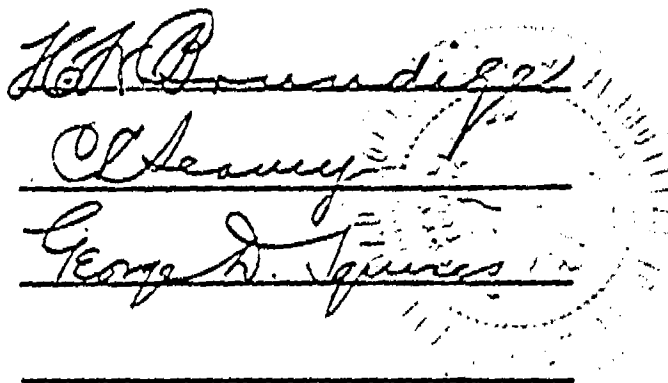
Upon consideration of all the facts of record, we are of the opinion and find that applicant should be permitted to cancel the rates on empty cement bags, secondhand, returning, now published in Items Nos. 1620 and 1640 of Southern Pacific Tariff No. 730-C, C.R.C. 2904 and in lieu thereof assess charges based on the provisions of Items 310 and 330, as amended, and published in Pacific Freight

O R D E R

This application, having been duly heard and submitted, full investigation of the matters and things involved having been had and basing this order on the findings of fact and the conclusions contained in the opinion which is hereby referred to and made a part hereof,

IT IS HEREBY ORDERED that the application of the Southern Pacific Company be granted and applicant is hereby authorized and directed to cancel the rates on secondhand empty cement bags, returning, published in Items 1620 and 1640 of Southern Pacific Tariff No.730-C, C.R.C.2904. and to apply in lieu thereof the provisions of Items 310 and 330, to be amended as set forth in the application and published in Pacific Freight Tariff Bureau Exception Sheet No.1-J, C.R.C.356.

Dated at San Francisco, California, this 10<sup>th</sup>  
day of December, 1925.

  
H. B. Prudden  
C. Leary  
George D. Jones

Commissioners.