

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SOUTHERN PACIFIC COMPANY, THE ATCHISON  
TOPEKA AND SANTA FE RAILWAY COMPANY,  
THE WESTERN PACIFIC RAILROAD COMPANY,  
LOS ANGELES & SALT LAKE RAILROAD COM-  
PANY, PACIFIC ELECTRIC RAILWAY COMPANY,  
SAN DIEGO & ARIZONA RAILWAY COMPANY,  
SUNSET RAILWAY COMPANY and NORTHWESTERN  
PACIFIC RAILROAD COMPANY, respectively,  
for order authorizing publication in  
their individual tariffs of rule speci-  
fying charge for checking intrayard or  
interyard carload shipments.

ORIGINAL

Application No. 13787

- A. L. Whittle, for Applicant Southern Pacific Company.
- E. E. Bennett, for Applicant Los Angeles & Salt Lake Railroad Company.
- Berne Levy, for Applicant The Atchison, Topeka & Santa Fe Railway Company.
- J. F. Bon, for Applicant Western Pacific Railroad Company.
- A. Larsson, for Union Lumber Company, Pope & Talbot, California Redwood Association, Chicago Lumber Company of Washington, C. R. McCormick Lumber Company, Charles Nelson Lumber Company et al.
- W. J. Lane, for Guggenlime & Company.

BY THE COMMISSION:

O P I N I O N

This is an application under Section 63 of the Public Utilities Act to establish in applicants' terminal tariffs the following rule:

"For freight, carloads, on which only a switch service is performed, this Company will, on request, check contents of car and issue bill of lading in accordance with such check, subject to the following charges:

- (a) Check contents of car at loading point and issue bill of lading in accordance with such check, at a charge of ten (10) cents per ton of 2000 lbs., or fraction thereof, applied to the weight of the shipment.

- (b) Check contents of car at unloading point and issue delivery receipt in accordance with such check at a charge of ten (10) cents per ton of 2000 lbs. or fraction thereof, applied to the weight of the shipment."

At the hearing the application was amended to include the Sunset Railway Company as a party applicant.

Notices of hearing in this matter were sent to shippers, consignees and traffic departments of Chambers of Commerce of numerous cities, and a public hearing was held before Examiner Geary on August 5, 1927, but no objections were made to the proposed rule. The matter having been duly heard and submitted is now ready for our opinion and order.

The applicants' present tariffs do not provide a rule for California intrastate traffic as now proposed, but such rule is in effect on interstate traffic. The interstate rate for checking the contents into or out of a car when only a switching service is performed was first established at 20 cents per ton, effective May 1, 1926, and subsequently reduced to 10 cents per ton, effective May 25, 1927, and applicants aver no complaint has been made to them regarding this charge.

The 10 cents per ton as provided in the proposed rule is not to apply on line haul traffic but only on switching movements and only when the checking service is demanded by the consignor or consignee. The switching charges at stations in California vary from approximately 34 cents per ton, minimum charge \$7.20 per car, to 68 cents per ton, minimum charge \$13.50 per car, and when first established gave no consideration and did not include any cost for the checking of contents into or out of cars. It is claimed such switching charges are not of sufficient volume to warrant applicants absorbing the costs of rendering this checking service.

Until recently the universal custom has been, where cars are transferred between points in terminal yards and not going

into line haul service, to accomplish the movement on a switching order as shipper's load and count (S.L. & C.) without the use of a bill of lading. The recent practice of demanding a carrier's check and a clean bill of lading is infrequently employed, almost entirely in interstate traffic and seldom at any point except Los Angeles and San Francisco.

Investigation of the cost of rendering this service was made for a representative period, October 28 to November 15, 1926, at the stations of San Francisco, Los Angeles and Oakland, and resulted in an average of approximately  $7\frac{1}{2}$  cents per ton based upon the employee's wages while engaged exclusively in checking the contents of the car. This cost does not include overhead expenses of any nature such as stationery supplies, supervisory or accounting, and it is of record that applicants are not proposing the 10 cents per ton charge with any anticipation of profit but only to obtain an amount necessary to cover actual out-of-pocket costs in rendering the new service not now included in the switching rates.

After full consideration of all the facts of record we are of the opinion and so find that the rule applicants propose to establish is justified and that a charge of 10 cents per ton for checking contents into or out of cars upon request is not unreasonable.

#### 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 conclusion contained in the opinion which immediately precedes this order,

IT IS HEREBY ORDERED that the Southern Pacific Company,

