Decision No. 21188.



BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

CLAYPOOL & COMPANY, a corporation,

Complainant,

Case No. 2656.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, Defendant.

VS.

B. H. Carmichael and F. W. Turcotte, for complainant, Platt Kent and Berne Levy, for defendant.

CARR, Commissioner:

<u>o p i n i o n</u>

Complainant is a corporation engaged in the wholesale and retail general merchandise business. By complaint filed February 11, 1929, and amended at the hearing, it is alleged that the rate assessed on numerous carloads of sugar moving from San Francisco to Needles, California, during the period subsequent to March 14, 1927, was excessive and unreasonable in violation of Section 13 of the Public Utilities Act.

Reparation only is sought. Rates will be stated in cents per 100 pounds.

A public hearing was held before Commissioner Carr at Los Angeles May 10, 1929, and the case having been submitted is now ready for an opinion and order.

Needles is on defendant's main line 619 miles southeast

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of San Francisco. Complainant's shipments consisted of five cars of sugar loaded to an average weight of 63,440 pounds. The rate assessed and collected was 84 cents per 100 pounds. This rate prior to June 11, 1928, was blanketed from Needles east to Missouri River points, a maximum distance of approximately 2200 miles, but effective on the date just referred to, the blanket adjustment was disrupted by an order of the Interstate Commerce Commission in Traffic Bureau of Phoenix Chamber of Commerce et al. vs. A.T.& S.F.Ry.Co. et al., 140 I.C.C. 171, prescribing lower rates from San Francisco to points in Arizona west of Winslow. From San Francisco to Kingman, Arizona, 61 miles east of Needles, the defendant in this proceeding was required to establish a rate of 69 cents and to pay reparation on past shipments. The 69-cent rate from San Francisco to the Arizona points automatically applied as maximum at Needles under the intermediate application of rates shown in Pacific Freight Tariff Bureau Tariff 26-N, C.R.C. No. 413, effective as of June 11, 1928. It is upon the basis of this rate that complainant is here seeking reparation.

Defendant contends that the rate established by the Interstate Commerce Commission from San Francisco to Kingman, Arizona, is too low for application between San Francisco and Needles; that the 84-cent rate while blanketed to Missouri River ports was depressed to meet the competition of sugar from the Gulf ports, and when compared with rates on dried beans, canned goods, coffee and dried fruit from San Francisco to Needles, is not unreasonable, particularly in view of the relatively light movement of the sugar here at issue. The rates used by defendant for comparative purposes apply not only from San Francisco to Needles, but are blanketed east thereof to either Missouri River or Atlantic seaboard points and do not afford support

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for the 84-cent rate on sugar. The record clearly shows that the rate of 84 cents here under attack is in excess of a maximum reasonable rate.

I am of the opinion, and so find, that the rate assailed was unreasonable to the extent it exceeded 69 cents; that complainant made certain shipments within the two-year statutory period immediately preceding the filing of the complaint, on which it paid and bore the charges; that complainant has been damaged to the extent of the difference between the charges paid and those herein found reasonable, and is entitled to reparation with interest.

I recommend the following order:

ORDER

This case being at issue upon complaint, 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 precedes this order,

IT IS HEREBY ORDERED that defendant, The Atchison, Topeka and Santa Fe Railway Company, be and it is hereby authorized and directed to refund to complainant, Claypool and Company, with interest at six (6) per cent. per annum, all charges it may have collected in excess of 69 cents per 100 pounds for the transportation of the carloads of sugar involved in this proceeding, moving from San Francisco to Needles subsequent to March 14, 1927.

The foregoing opinion and order are hereby approved

3.

and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 15 day of May, 1929.

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