

Decision No. 24036.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

GLOBE GRAIN AND MILLING COMPANY,)
 Complainant,)
 vs.)
 LOS ANGELES & SALT LAKE RAILROAD)
 COMPANY,)
 Defendant.)

Case No. 3054.

E. J. Forman, for complainant.

E. E. Bennett and E. C. Renwick, for defendant.

CARR, Commissioner:

O P I N I O N

In this proceeding complainant alleges that a rate of 5 cents per 100 pounds assessed and collected for the transportation of molasses finals or residual, in carloads, from Los Angeles Harbor to Los Angeles subsequent to June 1, 1929, was, is, and for the future will be in violation of Section 13 of the Public Utilities Act.

Complainant asks for reparation to the basis of 3 cents per 100 pounds, and a rate for the future of not to exceed \$25.00 per car.

A public hearing was held at Los Angeles June 9 and 10, 1931, and the case submitted on briefs.

Complainant's shipments consisted of a low-grade molasses residual worth approximately $\frac{1}{2}$ to $\frac{3}{4}$ cent a pound. They

were loaded on an industry track served by the Harbor Belt Railroad, were line-hauled to Los Angeles via the Los Angeles & Salt Lake Railroad, and delivered to complainant's industry track on the Southern Pacific Company. The shipments were loaded to an average weight of 113,887 pounds, producing a per car revenue of \$56.94, a car mile revenue of \$2.11, and a per ton mile revenue of 37 mills. Under the rate of \$25.00 per car sought by complainant the per car mile revenue would be 92.6 cents and the per ton mile revenue 16.2 mills. Complainant compares these earnings with lower earnings produced by rates on molasses from Los Angeles Harbor to Anaheim and to Cedar City, Utah. Likewise comparisons are made with the per car earnings on various commodities from the Harbor to Los Angeles, predicated upon the minimum weights shown in the tariff, and with a minimum charge of \$15.00 per car applicable within the Los Angeles switching limits and between various industrial districts immediately adjacent thereto. The rates between Los Angeles and the Harbor used for comparative purposes are depressed rates published to meet acute truck competition.

The transportation of complainant's shipments is attended with some difficulty, the movement requiring the handling by three carriers, Harbor Belt Railroad, Los Angeles & Salt Lake Railroad Company and Southern Pacific Company. A similar service is rendered for the return movement of the empty cars to the Harbor. The line-haul movement from the Harbor to Los Angeles is through a somewhat congested area, on an ascending grade. Two switching movements are required at the Harbor and four at Los Angeles, two between the interchange track of the Southern Pacific and two between defendant's tank-car cleaning rack. The latter switching is necessary because after each trip the tank

cars are steamed and washed out and in addition thereto they are cleaned and scraped three time a year. Defendant has set aside for complainant's exclusive use 16 tank cars, having a claimed value of \$38,240.00. Considering the equipment exclusively devoted to this service, the volume of movement is very slight, there being an average of but 3.7 cars per month transported during the last seven months of 1929, and an average of two cars per month in 1930. Defendant asserts that the actual out-of-pocket cost of handling each carload of molasses is approximately \$38.99.

It cannot be said that this record discloses the rate here under attack to be more than a maximum reasonable rate.

The complaint should be dismissed. The following form of order is recommended.

O R D E R

This case having been duly heard and submitted, full investigation of the matters and things involved having been had, and basing the order on the findings of fact and the conclusions contained in the preceding opinion,

IT IS HEREBY ORDERED that Case 3054 be and it is hereby dismissed.

The foregoing opinion and order are hereby adopted as the opinion and order of the Commission.

Dated at San Francisco, California, this 12th day of September, 1931.

C. J. Leary
Leon White
W. J. Carr
W. B. Kopp
John G. Stewart
Commissioners.