

Decision No. 25281.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ALAMEDA BELT LINE for an order grant-) Application No. 18231.
ing increased switching charges.)

E. C. Pierre and G. E. Duffy, for applicant.

R. P. McCarthy, for J. E. Baxter Company,
interested party.

BY THE COMMISSION:

ORIGINAL

O P I N I O N

This is an application filed June 23, 1932, by the Alameda Belt Line under Section 63 of the Public Utilities Act for an order granting permission to establish a rate of \$4.00 per car for switching freight carloads between all points on the Alameda Belt Line at Alameda. The rate in effect is now \$3.50 per car, as per Item 30, Local Freight Tariff No. 1-A, C.R.C. No. 4, subject to an additional emergency 10% charge of 35 cents per car where freight charges are collected from shippers as provided in Supplement No. 1 of the tariff, thus making the total charge today \$3.85.

A public hearing was held before Examiner Geary at Alameda on September 8, 1932, and the matter submitted.

The Alameda Belt Line is owned in equal parts by the Atchison, Topeka and Santa Fe Railway Company and The Western Pacific Railroad Company, and performs terminal services for these two carriers and the Southern Pacific Company. The Belt Line operates 2.63 miles main tracks, 5.39 miles industrial tracks and 5.44

miles yards and sidings, or a total of 13.46 miles, all in the City of Alameda. Applicant contends that the proposed rate is not unreasonable in comparison with charges applicable at other points where conditions are similar, that the proposed increased charge will be absorbed in practically all instances by the line haul carriers, and that its present charges do not pay the cost of the services performed. An exhibit was introduced showing that the \$4.00 rate is in effect between points on the State Belt Railroad at San Francisco, between all points on the South San Francisco Belt Railway at South San Francisco, and that practically the same amount is charged for like services in the Oakland metropolitan district.

The three trunk line railroads serving Alameda provide by their tariffs for the absorption of applicant's switching charges in connection with line haul traffic, with the usual reservation that the revenue must not be reduced below a specified amount. An exhibit was presented on behalf of the Atchison, Topeka and Santa Fe and Western Pacific, wherein they agree to absorb the proposed charge of \$4.00 in lieu of the present absorption of \$3.50, per car. The Southern Pacific Company is considering a similar absorption arrangement. Effective October 1, 1932, all three trunk lines will commence absorbing the \$4.00 on interstate traffic. During the 7 months' period January 1, 1932, to July 31, 1932 inclusive (Exhibit 4) the Alameda Belt Line switched a total of 949 cars. Of this number 808 were cars incidental to line haul movements of connecting lines and 97 moved inter-yard, leaving only 44 cars moving intra-yard, against which shippers would suffer an increase in charges of 15 cents per car, or a total of \$6.60 for the 7 months' period. The line haul and inter-yard shipments, consisting of 905 cars, will not be affected by the

increase because the charges under which they are handled will not be disturbed.

Applicant's revenue has been steadily decreasing. In 1928 it was \$55,024.66, in 1929 \$52,523.48, in 1930 \$50,493.94, in 1931 \$39,603.61, and for the first six months of 1932 \$15,520.24. The net income (loss) was: in 1928 \$72,014.05, 1929 \$59,745.42, 1930 \$53,122.30, 1931 \$29,925.45, and for the first six months of 1932 \$22,710.97.

By virtue of an operating agreement the operating losses of the Alameda Belt Line are absorbed by the Atchison, Topeka and Santa Fe and the Western Pacific in equal amounts and the necessary moneys are provided by these two carriers. It is apparent from this record that the Alameda Belt Line can continue to function only under the assistance granted by the parent companies, which in turn will receive their compensation, if any, from the long distance line-haul traffic.

There were no objections to the increase.

We find that the application has been justified and the switching charge of \$4.00 will be authorized.

ORDER

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

IT IS HEREBY ORDERED that the Alameda Belt Line be and it is hereby authorized to establish within twenty (20) days from the date hereof a charge of \$4.00 per car for switching freight.

carloads, between all points on the Alameda Belt Line at Alameda.

Dated at San Francisco, California, this 24th day
of October, 1932.

C. Seavey
Leon Oubrey
M. J. Am
W. B. Harris
Fred G. Stewart
Commissioners.