

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
F. W. Gomph, Agent Pacific Freight
Tariff Bureau, in the name and on
behalf of certain railroads to amend
individual rules and regulations
governing the transportation of
live stock.

ORIGINAL

Application No. 1522

George D. Squires, for Southern Pacific Company,
Allan P. Matthew, for Western Pacific Railway Co.,
E. W. Camp, for Atchison, Topeka & Santa Fe Railway
Company,
J. O. Bracken, for H. Moffatt Co., J. C. Johnson,
Knier, Allan & Pyle, Grayson, Owen & Co., Golden
West Meat Company, Salles & Chicorp and Roth, Blum
Packing Company.

Loveland, Commissioner.

O P I N I O N.

This is an application filed January 21, 1915,
under Section 63 (a) of the Public Utilities Act, seeking authority
to amend the rules and regulations governing the transportation of
live stock and the rates to be charged for cleaning and disinfecting
live stock cars, as follows:

"When under the requirements of the
United States Department of Agriculture, or
when because of Federal, State, County or
Municipal regulations, it is necessary to
cleanse and disinfect cars which have been
loaded, or are to be loaded, with live stock,
the following charges will be assessed for
the service and collected from the shipper or
consignee of the live stock that made necessary
the cleaning and disinfecting of the cars in
which loaded;

For each single-deck car \$2.50
For each double-deck car \$4.00

NOTE: Agents must tack a card on the car
showing at which point and on what
date car was cleaned and disin-
fected."

The proposed rule and charges were protested by

certain interested parties subsequent to the filing of the application and in consequence the matter was set for hearing, which was regularly held in the office of the Commission on May 6, 1915.

In justification of the proposed tariff provision applicant contends that when the State, County or Municipal authorities require carriers to clean and disinfect cars, in which diseased live stock has been transported, carriers should not be called upon to assume the expense of cleaning and disinfecting such equipment but that such expense should be borne by the owner of the diseased live stock that made the cleaning and disinfecting necessary.

Protestants urge that no necessity exists at present for the incorporation of the provision in applicant's schedule, therefore the matter should be deferred until such time as occasion demands.

While the records disclose that no immediate necessity exists for establishing this provision, no harm will result in granting the application, which will permit the carriers to meet any emergency likely to arise. At this time the Commission desires to express itself to the effect that when the Federal, State, County or Municipal authorities, by proclamation or otherwise, issue a regulation, such as is herein comprehended, for the purpose of lessening the spread of or exterminating a contagious disease the public generally should willingly lend its assistance. Furthermore, when a carrier, complying with a lawful regulation, is called upon to disinfect cars by reason of diseased live stock, the carrier being in no way responsible, it should be permitted to make a reasonable charge therefor and such charge should be paid by the owner of the diseased live stock transported.

Exhibits were introduced by certain representatives of the lines, members of the Pacific Freight Tariff Bureau, in support of the charge for cleaning and disinfecting the cars.

Southern Pacific Company's Exhibit No. 1, shows the average cost of disinfecting a single deck car in California to be

\$3.75. In ascertaining this average cost a record was kept by the carrier at certain specific points on its line of the various items of expense entering into the cost, consisting of material used in disinfecting, labor performed, detention of car, switching and supervision. The cost per car at each point, so ascertained, was totalled and divided by the total number of cars treated at all of the points, thus giving the average per car. If the average cost of \$3.75, so found, is to be seriously considered it would appear that the proposed charge of \$2.50 per single-deck car is inadequate.

An analysis of the exhibit indicates that at the eleven points shown the cost per car ranges from 60 cents to \$9.03, and that the amount under each head, except detention, varies materially. Under head of "material" it is found that the cost of the disinfecting material at Roseville and Los Angeles was 12 cents per car, while at Hanford it was \$1.00; at Brawley \$2.08 and \$6.00; at Colton 57 cents and \$6.55. Witness in explaining this wide difference of the cost of material stated that the greater costs were due to the fact that the cars to be treated were urgently needed and the material had to be purchased locally instead of awaiting its receipt from carrier's supply department. This being true these excessive costs should not be considered in this statement. Cost of labor ranges from 17 cents at Los Angeles to \$2.50 at El Centro, and certain of the larger labor costs should be eliminated for the reason that "outside labor" was employed to clean and disinfect cars in order to expedite movement of the equipment.

Respecting the switching cost: it is no doubt true that at some points it is necessary to switch these cars a slightly greater distance than those used in transporting other traffic and when this additional service is performed the expense incident thereto and no other should be included in arriving at the average cost per car.

Supervision cost appears to have been figured at 10% of the total cost of all items other than supervision. This method of determining cost of supervision appears faulty, particularly so

with respect to the cost of material and labor. The material used at Brawley, in one instance, cost \$6.00, consequently 60 cents (10 per cent) is charged to supervision. Had the material been obtained from the same source as that used at El Centro the supervision cost would have been but two cents. A greater amount should not be charged to supervision because an article cost more or a laborer is paid a higher wage at one point than at another.

Western Pacific Railway Company's Exhibit No. 1, indicates that the estimated cost of disinfecting a single-deck car is \$2.03 and for a double-deck \$3.95. Exhibit No. 2 shows the cost to be from \$7.06 up, depending upon the distance the empty car is hauled.

The Atchison, Topeka & Santa Fe Railway Company's estimate is substantially the same as the Southern Pacific Company's.

The foregoing evidence regarding the cost of cleaning and disinfecting cars is more or less at variance. Certain items of expense, such as the extraordinary cost of material and labor, per diem charge and expense incident to switching, are included. The Commission cannot accept the higher cost of material and labor as a proper charge for the reason that when it is furnished by carrier's supply department its cost is materially lower, also had the labor been performed by a regular employe it likewise would have cost less.

The transportation charge covers switching within certain defined limits, therefore it would be improper to add a charge for this service unless some additional switching is required and then only the expense incident to the additional haul.

A careful scrutiny of the exhibits submitted leads me to the conclusion that a reasonable charge for this service would be \$2.00 per single-deck car and \$3.00 for a double-deck car.

I recommend the following form of order:

O R D E R

Application having been made by F. W. Gomph, Agent for the Pacific Freight Tariff Bureau, for authority to amend the rules and regulations governing the transportation of live stock and the rate to be charged for cleaning and disinfecting live stock cars and a public hearing having been held and a full investigation of the matters and things involved having been had and the Commission being fully apprised in the premises;

IT IS HEREBY ORDERED that F. W. Gomph, Agent for the Pacific Freight Tariff Bureau, be hereby authorized to publish and file the following rule and regulations governing the transportation of live stock and the rates to be charged for cleaning and disinfecting live stock cars:

CHARGES FOR CLEANING AND DISINFECTING
LIVE STOCK CARS

When because of State, County or Municipal regulations, it is necessary to clean and disinfect cars which have been loaded, or cars to be loaded, with live stock, the following charges will be assessed for the service and collected from the owner of the live stock that made necessary the cleaning and disinfecting of the car in which loaded:

For each single-deck car \$2.00
For each double-deck car \$3.00

NOTE: Agents must tack a card on the car showing at what point and on what date car was cleaned and disinfected.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 17th day of May, 1915.

Wm. C. Shallen
Chas. F. Gordon
Wm. C. Shallen
Commissioners.