

Decision No. 26805.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Suspension by the
Commission on its own Motion of changes
in rates on dried beans and peas, flour
and mill stuff, grain, hay and straw,
potatoes and onions, and sugar from and
to points on the inland waters of Cali-
fornia, contained in Supplement No. 14
to E. V. Rideout Company's Local Freight
Tariff No. 1-F, C.R.C. No. 9.

Case No. 3755.

ORIGINAL

Carl R. Schulz, for respondent.

Gwyn H. Baker, for California Inland Water Carriers
Conference.

J. B. Costello, for Sperry Flour Company.

BY THE COMMISSION:

O P I N I O N

Upon protest by competing common carriers that many of respondent's proposed rates are unduly low and noncompensatory for the services involved and were originally established as emergency rates only, the Commission suspended certain items of Supplement 14 to respondent E. V. Rideout Company's Local Freight Tariff No. 1-F, C.R.C. No. 9, pending determination of their lawfulness.

A public hearing was had before Examiner Brown at San Francisco January 24, 1934. At the hearing respondent abandoned his attempt to readjust his rates except (1) a rate of 60 cents per ton on flour from South Vallejo to Mare Island; (2) a rate of \$1.15 per ton on rice flour from San Francisco to South Vallejo; and

(3) a rate of \$1.10 per ton (shippers load and discharge), minimum 300,000 pounds, on hay and straw and grain from Islands 1, 2 and 3 and Sonoma Creek on the one hand to San Francisco Bay points on the other hand.

The record shows that the first two rates referred to above, while not maximum reasonable rates, are justified because of unregulated truck competition. Respondent sought to justify the shippers load and discharge rate on hay, straw and grain upon the theory that the labor cost by this method of handling the traffic was considerably less than it is where the carrier performs all of the transportation services, including both the loading and unloading.

At the present time respondent maintains rates of \$1.50 per ton, minimum 60 tons, and \$2.00 per ton, minimum 20 tons, on hay and straw; and \$1.65 per ton, minimum 30 tons, on grain. The applicable rate via protestants' lines is \$1.50 per ton on grain and hay, with minima of 80,000 and 200,000 pounds respectively.

The record shows that the proposed rate of \$1.10 represented too large an allowance for the terminal services of loading and unloading, resulting in an unnecessary spread between the rates where the carrier performs the loading and unloading service, thus tending to break down the established rate structure of the inland water carriers in this territory.

The record also shows that a shippers load-and-discharge rate is only practical in certain instances such as ship-side deliveries. Furthermore, it leads to abuses difficult to police.

Respondent has failed to justify the proposed rates except the rate on flour from South Vallejo to Mare Island and the rate on rice flour from San Francisco to South Vallejo.

O R D E R

Based upon the conclusions and findings in the foregoing opinion, and good cause appearing,

IT IS HEREBY ORDERED that E. V. Rideout Company, having failed to justify the proposed rates herein now under suspension, be and it is hereby directed to cancel on or before the 16th day of March, 1934, upon not less than five (5) days' notice to the Commission and the public, the suspended items and rates in Supplement 14 to its Local Freight Tariff No. 1-F, C.R.C. No. 9, without prejudice to filing a rate of 60 cents per ton on flour from South Vallejo to Mare Island and a rate of \$1.15 per ton on rice flour from San Francisco to South Vallejo.

IT IS HEREBY FURTHER ORDERED that this proceeding be and it is hereby discontinued and our suspension order of December 22, 1933, vacated and set aside as of the 16th day of March, 1934.

Dated at San Francisco, California, this 19th day of February, 1934.

C. C. Lundy
Leon A. Whalley
W. H. Lundy
M. B. Lundy
Walter A. Lundy
Commissioners.