

Decision No. 27125

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

STANDARD GYPSUM COMPANY, INC.,  
a corporation,

Complainant,

vs.

SOUTHERN PACIFIC COMPANY,  
HOLTON INTER-URBAN RAILWAY COMPANY,  
and SAN DIEGO AND ARIZONA RAILWAY  
COMPANY,

Defendants.

ORIGINAL

Case No. 3206

F. W. Turcotte and B. H. Carmichael, for Complainant.

R. G. Dilworth, James E. Lyons and A. L. Whittle, by  
A. L. Whittle, for Defendants.

Sanborn & Roehl, by H. A. Sanborn, for Pacific  
Portland Cement Company, and James A. Keller and  
L. E. Keller, Intervenor.

A. R. Sutton and T. A. L. Loretz, for Blue Diamond  
Corporation, Intervenor.

E. W. Camp, G. E. Duffy, B. Levy and A. E. Mc Gowan,  
by A. E. Mc Gowan, for Atchison, Topeka & Santa  
Fe Railway Company, Intervenor.

Charles A. Bland, for Board of Harbor Commissioners  
of the City of Long Beach, Intervenor.

BY THE COMMISSION -

OPINION

By its order in Decision No. 25781 of March 27, 1933, the Commission, among other things, directed defendant Southern Pacific Company to cease and desist from demanding or collecting rates for the transportation of plaster and its products from Long Beach to points north of Los Angeles to and including Santa Barbara and Mojave and east of Los Angeles to and including Beaumont which exceed by more than one cent per 100 pounds the rates concurrently in effect from Los Angeles to the same points.

Upon defendant's request the proceeding was reopened "insofar as it involves rates (1) to all points within the switching limits of Los Angeles, (2) to points between Los Angeles and Alhambra, inclusive, on defendant's lines east of Los Angeles, and (3) to points between Los Angeles and Burbank, inclusive, on defendant's line north of Los Angeles."

Further hearing in the reopened proceeding was had before Examiner Geary at Los Angeles.

The issue is solely one of undue preference and prejudice. An allegation of unreasonableness originally made was later withdrawn.

The rates on plaster and its products between Long Beach, where complainant's plant is located, and Los Angeles are the same in both directions. Clearly, therefore, there is no preference and prejudice as between movements from Los Angeles to Long Beach and from Long Beach to Los Angeles. From Los Angeles to points east to and including Alhambra, and north to and including Burbank, hereinafter referred to as the suburban points, there are in effect rates ranging from 55 cents per ton, minimum \$13.50 per car, to 85 cents per ton, minimum \$15.00 per car.<sup>1</sup> The distances involved do not exceed 10 miles. The record does not show that there are in effect rates of like volume from Long Beach to points within a radius of 10 miles therefrom, but neither does it show that there is a movement to any such points or that any interests would be subserved if like rates were established. Thus if any preference and prejudice exist, it must be because of the volume of the rates from Long Beach to the suburban points. The distances from Long

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<sup>1</sup> The rates shown apply from Zone 17, where a competing plaster plant is located. They were published concurrently with the restriction of proportional per car rates between the same points under authority of the Commission in Decision 26412, October 9, 1933, Application No. 18157.

Beach to these points range from 25 to 31½ miles. The rates now in effect are made by adding to rates of 4 cents per 100 pounds on plaster, and 5 cents per 100 pounds on plaster products from Long Beach to Los Angeles, charges ranging from \$4.50 to \$10.00 per car. Based on a minimum car of 50,000 pounds this results in rates of 4.9 cents to 6 cents per 100 pounds on plaster, and 5.9 cents to 7 cents on plaster products. From Los Angeles to equidistant points the rates are in no case less than 8 cents.

Defendant points out that if rates from Long Beach to the suburban points are made by adding one cent to the rates from Los Angeles to these points, the rates from Long Beach to the suburban points would be lower than those from Long Beach to Los Angeles, in violation of the long and short haul provisions of Section 24(a) of the Public Utilities Act.

Upon further consideration of the record and in the light of the testimony and evidence, in the further hearing, we are of the opinion and find that insofar as rates to Los Angeles and the suburban points are concerned, no undue prejudice and preference have been shown to exist. The order in Decision No.25781 of March 27, 1933, should be amended accordingly.

#### O R D E R

Further hearing in the above entitled matter having been had and the Commission being now fully advised.

IT IS HEREBY ORDERED that the second last paragraph of the order in Decision No.25781, in the above entitled proceeding, be and it is hereby amended to read as follows:

"IT IS HEREBY ORDERED that defendant Southern Pacific Company be and it is hereby ordered to cease and desist within thirty (30) days from the effective date of this order and thereafter to abstain from demanding or collecting rates for the transportation of plaster and its products from Long Beach to points north of Burbank to and including Santa Barbara and Mojave and east of Alhambra to and including Beaumont which exceed by more than one cent per 100 pounds the rates concurrently in effect from Los Angeles to the same points."

IT IS HEREBY FURTHER ORDERED that a new ordering paragraph be added to Decision No.25781, reading as follows:

"IT IS HEREBY FURTHER ORDERED that in all other respects this proceeding be and it is hereby dismissed."

IT IS HEREBY FURTHER ORDERED that in all other respects Decision No.25781 of March 27, 1933, in the above entitled proceeding and as amended shall remain in full force and effect.

Dated at San Francisco, California, this 4<sup>th</sup> day of June, 1934.

CL Seaver  
Leon Overstreet  
W. H. Carr  
W. B. Hamilton  
Arthur H. Moore  
COMMISSIONERS.