

Decision No. 35444

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of)
Graham Brothers, Inc., a corporation,)
for authority to charge less than)
minimum rates for the transportation)
of cement in southern California.)

Application No. 25008

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

By this application, as amended, Graham Brothers, Inc., a highway contract carrier, seeks authority under Section 11 of the Highway Carriers' Act to transport bulk cement for Southwestern Portland Cement Company from National City to the site of the San Vicente Dam (near Lakeside, San Diego County), at a rate less than the established minimum rates. The proposed rate is 4 cents per 100 pounds, minimum weight 25,000 pounds; the minimum rates, which were established effective May 31, 1942, are $8\frac{1}{2}$ and $6\frac{1}{2}$ cents per 100 pounds, minimum weight 20,000 and 36,000 pounds, respectively.¹

It is represented that before the minimum rates were established applicant contracted with the interested shipper to transport 290,000 barrels² of cement between the points in question at the proposed rate; that 240,000 barrels are yet to be delivered; and that unless the sought rate is authorized the contract will be canceled and the cement company will perform the transportation

¹ The minimum rates were prescribed by Decision No. 35211 of March 31, 1942, as amended, in Case No. 4246, in re Rates of All Common and Highway Carriers.

² The weight of a barrel of cement is 376 pounds.

with its own equipment. Applicant also represents that it has installed facilities at National City for the expeditious and economical handling of the cement under this contract and that cancellation of the contract would result in the loss of the substantial sum of money invested in these facilities. Applicant's compilation of the cost of transporting the first 50,000 barrels of cement shows that full costs amount to approximately $3\frac{1}{2}$ cents per 100 pounds. Operating efficiency is expected to be sharpened as a result of experience under actual operating conditions. It is claimed, therefore, that operations under the 4-cent rate have been, and would be profitable. The interests of other highway carriers of bulk cement assertedly would not be adversely affected by the granting of the application.

It appears that this is a matter in which a public hearing is not necessary and that under the circumstances of record the proposed rate is reasonable and should be authorized. The application will be granted. It further appears, however, that the special circumstances surrounding transportation between the points involved will cease upon completion of the construction work. Inasmuch as the length of time this work will be in progress cannot now be determined with any certainty, the authority granted herein will be limited to a one-year period, unless sooner changed, canceled or extended.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Graham Bros. Inc., a corporation, be and it is hereby authorized to transport bulk cement under contract with Southwestern Portland Cement Company from National City to the site of the San Vincente Dam (near Lakeside, San Diego County), at rates less than those established as minima for that transportation, but not less than 4 cents per 100 pounds, minimum weight 25,000 pounds per shipment.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire one year from the date of this order, unless sooner changed, canceled or extended by appropriate order of the Commission.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 2nd day of June, 1942.

Justus F. Cameron
Ray L. Rice

[Signature]

Commissioners