

ORIGINAL

Decision No. 56509

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| In the Matter of the Application of) | |
| H. R. HINSCH, agent, for authority) | |
| to adjust strike-interference demur- | Application No. 39855 |
| rage rate commensurate with current) | |
| per diem charges.) | |

OPINION AND ORDER

By this application, H. R. Hinsch, Agent of Central Territory Railroads Tariff Bureau, on behalf of the railroads operating in California, seeks authority to increase, on less than statutory notice, the intrastate demurrage rate applicable when loading or unloading of railroad cars is delayed because of strike interference. Applicant proposes to increase the rate from \$2.65 to \$3.00 per car per day or fraction of a day which applies from the day the interference begins until it ceases.

Applicant states that for many years the rail carriers have maintained detention charges on cars delayed by strike interference on a lower level than charges for ordinary demurrage. He further states that demurrage charges are, in ordinary circumstances, intended to act as a deterrent to wasteful use of railroad cars by encouraging shippers and receivers to load or unload and release cars promptly. However, when strike interference prevents the loading, unloading or release of cars it is inequitable, applicant alleges, to impose penalties for lack of diligence. On the other hand, applicant points out, the railroad affected must continue to pay per diem charges of \$2.75 per day to the railroad owning the cars while the strike bound cars are being held.

The application states that the railroads have endeavored to reach a basis of strike-bound demurrage charges which would be equitable to carriers and shippers alike. According to the application, the National Industrial Traffic League, at its annual meeting

in 1950, concurred in the proposal of the carriers to maintain strike interference demurrage rates at an amount equal to the prevailing per diem rate, plus 25 cents per car per day. From time to time as the per diem rate has changed, applicant has sought authority to adjust the demurrage charge involved based on the aforementioned formula. In December, 1956, the per diem rate was increased from \$2.40 to \$2.75. At that time, the strike interference demurrage rate on interstate traffic and on intrastate traffic in most states but not in California, was advanced from \$2.65 to \$3.00 per car per day as herein sought.

Copies of the application have been served on interested shippers. No objection has been received.

In the circumstances, it appears, and the Commission finds, that the sought increased rate is justified. The application will be granted. A public hearing is not necessary.

Therefore, good cause appearing,

IT IS ORDERED that H. R. Hinsch, Agent, on behalf of the railroads named in Appendix "A" of this application, is hereby authorized to amend, on not less than five days' notice to the Commission and to the public, the strike interference demurrage rate as proposed in this application.

IT IS FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the date hereof.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 15th day of April, 1958.

[Signature]
President

[Signature]

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Commissioners