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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC SOUTHCOST FREIGHT BUREAU,
 J. P. Haynes, Chairman, for authority
 to increase "all freight" rates between
 Long Beach, Thenard, and Los Angeles
 Harbor.

Application No. 40692

OPINION AND ORDER

By this application the Pacific Southcoast Freight Bureau, tariff publishing agent for various common carriers by railroad operating within California, seeks authority on behalf of said carriers to effect increases in their rates for the transportation of "all freight" between points within the Long Beach/Los Angeles Harbor area, or, more specifically, between Long Beach, Thenard and Los Angeles Harbor.

The application states that in recent years said carriers have undertaken an extensive program of review of their rates which apply for transportation within the Los Angeles area generally. The program has disclosed that a large number of the rates are unduly low in that they do not even return the out-of-pocket costs of the transportation performed. As a consequence the carriers have sought and have been authorized heretofore to increase many of such rates to a more compensatory level (Decision No. 56499, dated April 8, 1958, in Application No. 38838). Assertedly, the rate adjustments which are sought in this matter are of the same general nature and purpose as those involved in the referred-to proceeding.

The present rates, and those which are sought herein,
are as follows:

Table No. 1 (See Note)

<u>BETWEEN</u>	<u>Present Rates</u>		<u>Proposed Rates</u>	
	<u>Per Ton (2000 lb.)</u>	<u>Minimum Charge Per Car</u>	<u>Per 100 Pounds</u>	<u>Minimum Weight (Pounds)</u>
Long Beach AND Los Angeles Harbor:				
Wilmington District	\$.97	\$17.52	<u>Other than tank cars:</u>	
East San Pedro District	.97	17.52		
San Pedro District	1.43	24.33		
Thenard	.97	17.52		\$.11
Wilmington (Anaheim Boulevard)	.97	17.52	.08	60,000
			.07	80,000
Thenard Wilmington (Anaheim Boulevard) AND Los Angeles Harbor:			<u>Tank cars:</u>	
Wilmington District	\$.97	\$17.52	\$.08	Per Rule
East San Pedro District	1.47	24.33		35,
San Pedro District	1.47	24.33		Western Classifi- cation

Note: The level of the present and proposed rates, as set forth in the application, is that as established in proceedings before the Interstate Commerce Commission designated as Ex Parte 196. However, the application states that the level of the rates which is sought corresponds to that established in subsequent proceedings designated as Ex Parte 206. The rates in this table have been adjusted to conform to the latter level.

Percentagewise, the increases in rates and charges which would result under the proposals are rather substantial. It appears, nevertheless, that for the most part the increases are only sufficient to enable the carriers to meet the out-of-pocket costs of

their services. For example, on a carload movement (other than in tank cars) between Long Beach and Wilmington, the minimum charges per car would be \$44.00. According to the application, the applicable out-of-pocket costs, calculated upon costs in effect November 1, 1957, total \$42.59. Such costs do not take into account any expense increases which the carriers have since experienced.¹

It appears that the shippers and consignees who would be directly affected under the proposals herein have been informed by the carriers of the increases in the rates and charges which are sought and the reasons therefor. No protests with respect thereto have been received by the Commission. Public hearing on the application is not necessary.

In the circumstances which have been here shown, it is concluded and found that the increases in rates and charges and related tariff changes which are sought in this matter have been shown to be justified. The application should be granted.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that:

1. Pacific Southcoast Freight Bureau be, and it hereby is, authorized to amend its Tariff No. 300 to establish on behalf of the carrier parties thereto the increased rates and related tariff provisions as set forth in Table No. 1 above under the heading "Proposed Rates," said rates and related provisions to apply for the transportation of "All Freight" between Long Beach, Los Angeles Harbor, Thenard, Wilmington (Anaheim Boulevard) and intermediate points.

¹ In their showing in connection with Application No. 38838 the carriers alleged that revenues which exceed their out-of-pocket costs by about 55 percent are necessary to enable them to meet their total costs and to provide a return of about 4 percent on their invested capital.

2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California,
this 21st day of July, 1959.

Carl P. ...
 President

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Theodore J. ...
 Commissioners