

**ORIGINAL**Decision No. 70214

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 PACIFIC SOUTHCOAST FREIGHT BUREAU for  
 authority to amend certain provisions  
 on Use and Detention Charges on  
 Heavy Duty Flat Cars.

Application No. 47903  
 (Filed September 20, 1965)

Gary S. Anderson, for applicant.  
R. J. Carberry and J. C. Matson,  
 for the Commission staff.

O P I N I O N

This application was heard and submitted November 30, 1965 before Examiner Thompson at San Francisco. Copies of the application and notice of hearing were served in accordance with the Commission's procedural rules. There are no protests.

Pacific Southcoast Freight Bureau, through its tariff publishing officer, W. O. Gentle, publishes the rates maintained by the railroads operating in California. It seeks authority to establish, on behalf of its member railroads, detention and use charges on shipments moving on heavy duty flat cars in California intrastate commerce. The proposed charges are published in Pacific Southcoast Freight Bureau (PSFB) Tariff 310 and are now in effect on interstate traffic between all points in Western Territory and on intrastate traffic in all of the eleven western states except California.

The proposed detention charges on heavy duty flat cars are in a graduated scale, beginning at \$25 per car per day after expiration of free time and increasing to \$100 per day for the sixth and each succeeding day after the expiration of free time. Free time

ordinarily is 48 hours and if the car is loaded or unloaded, as the case may be, within that period the proposed detention charges would not be applicable.

The proposed use charges on heavy duty flat cars are in a graduated scale based upon the length of haul, ranging from \$100 per car for hauls not over 250 miles to \$250 per car for hauls over 2,000 miles. Insofar as intrastate shipments in California are concerned, the highest charge that would be applicable would be \$175 per car, which is the charge for hauls between 751 and 1,000 miles.

The heavy duty flat cars to which the charges would be applicable are listed by number in tariff PSFB 310. Of the lines operating in California, only The Atchison, Topeka and Santa Fe Railway Company (Santa Fe), Southern Pacific Company (S.P.) and Union Pacific Railroad Company (U.P.) own such cars and the total of the cars owned by those three railroads is 36. The cars are specialized equipment with large weight-carrying capacity. Of the 36 cars, the lowest capacity is 247,000 pounds and the greatest is 497,000 pounds. They are used to transport heavy machinery, large transformers, heavy ordinance and other units that are large and heavy.

According to the Assistant Freight Traffic Manager of Southern Pacific Company, the proposed detention charges and use charges are intended to provide additional revenue to compensate the carriers for the high capital investment in the cars and to provide an incentive to shippers and receivers to load and unload the cars so that they may be made available to others. He testified that the cost of acquiring such a car today is at least \$34,000, which is about twice the cost of a standard box car. Santa Fe's investment in the five cars that it owns is almost \$300,000. He said that the cars, being specialized equipment, have a very low utilization, but it is

necessary that they be available to handle shipments of large heavy loads when tendered.

The witness stated that Santa Fe and S.P. had reviewed their billings for a period of six months and found that there were only a few movements of these cars between California points and that the shipments involved were in interstate or foreign commerce. He said that it is his opinion that the amount of traffic subject to the proposed charges that has moved or would move in California intrastate commerce is negligible or nonexistent.

The establishment of the proposed charges would result in increases in the charges assessed by the railroads. We find that such increases have been shown to be justified. We conclude that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Pacific Southcoast Freight Bureau is authorized to establish the increased rates proposed in Application No. 47903. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than thirty days after the effective date hereof on not less than thirty days' notice to the Commission and to the public.
2. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.
3. Common carriers, in establishing and maintaining the rates authorized hereinabove, are hereby authorized to depart from the provisions of Section 460 of the Public Utilities Code to the extent necessary to adjust long- and short-haul departures now maintained under outstanding authorizations; such outstanding authorizations are

hereby modified only to the extent necessary to comply with this order; and schedules containing the rates published under this authority shall make reference to the prior orders authorizing long- and short-haul departures and to this order.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 11th day of JANUARY, 1966.

Frederick B. Hallock  
President  
W. E. Mitchell  
George H. Crover  
Wagoner  
Holloman L. Beard  
Commissioners