

Decision No. 12769

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Los Angeles Lumber Products Company,
A Corporation.

Complainant.

vs.

Southern Pacific Company,
Atchison, Topoka & Santa Fe Railway Company,
Pacific Freight Tariff Bureau,

Defendants.

CASE NO. 1954.

BY THE COMMISSION:

OPINION AND ORDER ON APPLICATION FOR SUSPENSION
OF CERTAIN REDUCTIONS IN LUMBER RATES.

By schedules filed to become effective October 31, 1923 the Southern Pacific Company, the Atchison, Topoka & Santa Fe Railway Company and Pacific Freight Tariff Bureau, F.W. Gomph, Agent, hereinafter referred to as defendants, propose to reduce the rates on lumber from producing points in the State of California to consuming points within the State of California, as set forth in Southern Pacific Tariff 634-C, C.R.C. No. 2848, Southern Pacific Tariff No. 1015-B, C.R.C. No. 2923, Atchison, Topoka & Santa Fe Tariff No. 5958-E, C.R.C. 498, and Pacific Freight Tariff Bureau Tariff No. 48-G, C.R.C. No. 311.

The Los Angeles Lumber Products Company, a corporation, filed an application with this Commission October 13, 1923, wherein request is made that the proposed rates be suspended.

The applicant sets forth that it has acquired approximately four billion feet of hemlock and spruce timber in the Queen Charlotte Islands, Canada; that the timber is moved via water carriers to San Pedro in the form of squares, running approximately 18 by 24 inches by 30 feet; at San Pedro the squares are manufactured and the greater part of the production is forwarded to points within the State of California in the form of box and crate shooks.

The applicant bases its petition for suspension upon the allegation that the reduction in the lumber rates would result in injury and damage in connection with lumber shipped from its mill located at San Pedro.

Attention is called to the fact that there was filed with this Commission October 3, 1923 a complaint against the Southern Pacific Company, this Commission's number 1951, which calls into question the lumber rates now in effect from San Pedro and that if the reduced rates in the proposed tariffs are permitted to become effective the existing discrimination will be increased.

Without going into the details of the rate situation, it will suffice to here state that the carriers, in their answer to the petition, set forth that the lumber rates from Northern California mills to points within the State of California are adjusted to meet competition on lumber moved by water to San Francisco, San Pedro, Santa Cruz, Monterey, San Luis Obispo, Santa Barbara and Ventura; that the rates are affected at other points by reason of this water competition and, therefore, mile per mile from other points in Northern California to consuming centers, cannot be compared with the lumber rates applying from

San Pedro and other Coast points to interior points because of the dissimilarity of conditions in the interior, where there is no water competition. Also, there is no reduction proposed in the rates on box and crate shock, the principal output of the Los Angeles Lumber Products Company and, therefore, to this extent the reduced rates do not change the position of applicant.

It is admitted by defendant that the applicant in the instant proceeding has for some time sought a readjustment of the lumber rates, but after giving consideration to the request, a satisfactory conclusion was not reached and failure of the efforts to informally adjust the San Pedro rates resulted in the filing of Case No. 1951, already referred to.

The defendant carriers also allege they have attempted to maintain lumber rates in Northern California, Oregon and Washington to California territory on a basis that might enable them and the inland mills to secure a portion of the lumber traffic.

During the war period lumber rates were increased on a percentage basis and the higher rates resulted in greater water competition. The defendant carriers also called attention to the fact that the rates now published, to become effective October 31, 1923, have been under consideration for a period of more than two years.

The amount of lumber moved through the California ports by water carriers is very great. For the months of January, April, July and October, 1922, it is shown that from San Pedro to Los Angeles territory, via the Southern Pacific alone, 205653 tons moved in by water, while during the same period of time from mills in Northern California, Oregon and Washington to Los Angeles territory, all rail, but 25332 tons were transported.

Telegrams and petitions have been received by this

Commission from about fifty retail lumber companies and about seventy-five producing mill companies protesting against any suspension of the rates and urging that the tariffs be permitted to become effective October 31, 1923. These protestants include all of the largest lumber interests in California territory.

In support of the application, a joint telegram was received from four lumber companies located at San Pedro, and from the Los Angeles Chamber of Commerce.

In view of the fact that the defendant carriers are now transporting via their rails but a small percentage of the lumber used at California points near the ports, and the further fact that the very great majority of the lumber mills in the State of California favor the reduction in the rates, and that unless the proposed rates are allowed to go into effect the defendants and the shippers will be deprived of the advantages which would accrue from the reduction in the rates, also that little or no damage can be done to the applicant by reason of the fact that there would be no reduction in the shock and crate rates, we are of the opinion that the proposed rates should be permitted to go into effect on October 31, 1923 and that this application should be dismissed.

Dated at San Francisco, California, this 30th day of October, 1923.

C. Seaver
H. B. ...
Irving Martin

J. T. Whittlesey
Commissioners.