

Decision No. 14295

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
- - - - -

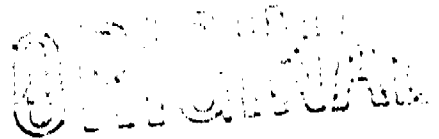
Los Angeles Lumber Products Company,)
a corporation.)

Complainant.)

vs.)

Southern Pacific Company, and)
Pacific Freight Tariff Bureau,)
F.W.Gomph, Agent.)

Defendants.)



CASE NO. 2069

OPINION ON APPLICATION FOR SUSPENSION OF
REDUCTION IN RATES ON LUMBER AND LUMBER
PRODUCTS FROM McCLOUD, CALIFORNIA TO
STATIONS WITHIN THE STATE OF CALIFORNIA

The Los Angeles Lumber Products Company, a corporation, filed a petition, under date November 15, 1924, under the provisions of Section 63 of the Public Utilities Act, seeking an order from this Commission to suspend certain freight tariffs carrying reductions in the rates on lumber and lumber products from McCloud, California to consuming points within the State of California.

The reduced rates are published in Southern Pacific Company's Local Joint and Proportional Freight Tariff No. 634-C, Cal.R.C. 2848, and Pacific Freight Tariff Bureau Joint and Proportional Freight Tariff No. 48-G, Cal.R.C. No. 311. The rates in the two tariffs are published to become effective November 30, 1924.

In October, 1923 this protestant filed with the Interstate Commerce Commission and the Railroad Commission of the State of

California formal proceedings involving the reasonableness of the lumber rates from San Pedro to destinations within California as compared with the rates from other lumber shipping points in California and in Oregon to the same points of destination.

Following the joint hearings the proceedings (I.C.C. Docket 15303 and C.R.C.1951) were submitted, final briefs presented some ninety days ago, and are now awaiting an opinion and order. It is protestant's position that this Commission should not permit the reduction in rates from McCloud until a final conclusion in the formal proceedings.

Under ordinary conditions it would appear improper for carrier to change rates involved in a formal proceeding, but here we have a situation peculiar in itself, inasmuch as the reduced rates from McCloud to become effective November 30, 1924 are now in effect from the mills operating in competition with McCloud to the same points of destination.

The following table shows the present and proposed rates from McCloud and the present rates from the competing points in the same territory to a few representative points in California:

| TO | : McCloud, : Weed, : Klamath Falls, : Kirk, | | | | |
|---------------|---|--------------|--------------|--------------|--------------|
| | : Calif. : | : Calif. : | : Oregon : | : Oregon | |
| | <u>Pres.</u> | <u>Prop.</u> | <u>Pres.</u> | <u>Pres.</u> | <u>Pres.</u> |
| San Francisco | : 25½ | 23½ | : 22 | : 23½ | : 25 |
| Fresno | : 37½ | 35 | : 34 | : 35 | : 35 |
| Bakersfield | : 43 | 40 | : 39½ | : 40 | : 41½ |
| Los Angeles | : 43 | 40 | : 39½ | : 40 | : 40 |
| Niland | : 54 | 51 | : 51 | : 51 | : 51 |
| Colorado | : 54 | 51 | : 51 | : 51 | : 51 |
| Callexico | : 60½ | 57½ | : 56½ | : 57½ | : 59 |

It will be observed from the above table that the proposed rates from McCloud are in all instances the same as those now in effect from Klamath Falls, Oregon, and the same or

slightly higher than from Weed, California and from Kirk, Oregon.

Lumber moving from Weed, California, Klamath Falls, Oregon and Kirk, Oregon is similar to that produced at the McCloud mills, therefore since the consumers can purchase lumber from mills at these three points, and from many other mills in Northern California and Southern Oregon, where the freight rates are the same or approximately the same as the rates now being proposed from McCloud, it would appear there can be no direct injury to this protestant if the reduced rates from McCloud are permitted to go into effect.

The Southern Pacific Company, in explanation of the reduced rates, states that the changes have been under consideration for a long time and would have been adjusted to the basis of the Klamath Falls, Oregon rates were it not for the complications in connection with the entire schedule of lumber rates in the Northern California and Southern Oregon territories.

The petition to suspend is supported by two milling companies located in the San Joaquin Valley and is opposed by some twenty milling companies in Northern California.

We are of the opinion that the interests of protestant, Los Angeles Lumber Products Company, will not be injured by placing the McCloud rates on a parity with the rates existing from Klamath Falls and approximately with the rates from Weed, California, Kirk, Oregon and many other points.

The petition to suspend will be denied.

Dated at San Francisco, California, this 26th day
of November, 1924.

C. Seamy
H. B. Boudige

Egerton Shorn
J. T. Whittier

Commissioners