

Decision No. 22106.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

SAN PEDRO CHAMBER OF COMMERCE,
WILMINGTON CHAMBER OF COMMERCE,

Complainants,

vs.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY,
LOS ANGELES-SAN FRANCISCO NAVIGATION COMPANY,
LOS ANGELES & SALT LAKE RAILROAD COMPANY,
LOS ANGELES STEAMSHIP COMPANY,
McCORMICK STEAMSHIP COMPANY,
NELSON STEAMSHIP COMPANY,
PACIFIC ELECTRIC RAILWAY COMPANY,
PACIFIC STEAMSHIP COMPANY,
SANTA MARIA VALLEY RAILROAD COMPANY,
SOUTHERN PACIFIC COMPANY,
SUNSET RAILWAY COMPANY,

Defendants.

Case
No. 2602.

Byron J. Walters and L. E. Stewart, for
complainants.
Platt Kent and Berne Levy, for The Atchison,
Topeka and Santa Fe Railway Company.
A. S. Halsted, J. P. Quigley and E. E.
Bennett, for Los Angeles & Salt Lake
Railroad Company.
Frank Karr, C. W. Cornell, R. E. Wedekind and
W. B. Knoche, for Pacific Electric Railway
Company.
A. Burton Mason and James E. Lyons, for South-
ern Pacific Company, and for Sunset Railway
Company.
Seth Mann, for San Francisco Chamber of
Commerce.
E. G. Wilcox, for Oakland Chamber of Commerce.
Frank M. Hill, for Fresno Traffic Association.
R. S. Sawyer, for the Associated Jobbers and
Manufacturers of Los Angeles.
O. W. Tuckwood and P. L. Hollingsworth, for
the American Potash and Chemical Corpora-
tion.
Charles A. Bland, for the City of Long Beach,
Harbor Department, and the Long Beach
Chamber of Commerce.

J. W. Trefry and C. S. Booth, for Los Angeles Steamship Company.
R. F. Burley, for McCormick Steamship Company.
C. E. Rogers, for the Nelson Line.
W. M. Cline, for Pacific Steamship Company.
H. V. McNamara, for Western Sugar Refinery.
J. G. Breslin, for California-Hawaiian Sugar Refining Corporation.
Elmer Westlake, for Western Sugar Refinery and California-Hawaiian Sugar Refining Corporation.
Don F. Earner, for the Curtis Corporation of Long Beach.
Noland M. Reid, City Attorney, for the City of Long Beach.
Albert E. Gillespie, for Los Angeles-San Francisco Navigation Company.

DECOTO, Commissioner:

O P I N I O N

Complainants are non-profit cooperative organizations organized under the laws of the State of California for the purpose of promoting the industrial welfare of San Pedro and Wilmington. By complaint filed September 12, 1928, as amended October 25, 1928, and March 25, 1929, it is alleged: (1) that the class and commodity rates maintained by defendants between San Pedro and Wilmington, hereafter collectively referred to as the Harbor, on the one hand, and points on the lines of defendants in California on the other hand; between the Harbor and San Francisco and San Francisco Bay points, the latter territory hereafter collectively referred to as San Francisco, and between Los Angeles and San Francisco, are unjust and unreasonable, in violation of Section 13 of the Public Utilities Act, and unduly prejudicial and disadvantageous to complainants, in violation of Section 19 of the Act; (2) that to the extent the class and commodity rates now maintained by defendant rail carriers between the Harbor and points in California exceed the rates and charges

contemporaneously maintained for comparable distances between San Francisco and points in California, such rates are unjust and unreasonable, in violation of Section 13 of the Act and are unduly preferential and advantageous to persons, firms and corporations located at San Francisco and unduly prejudicial and disadvantageous to complainants, in violation of Section 19 of the Act; (3) that the class and commodity rates now maintained by defendants for the transportation of property wholly by water and wholly by rail between the Harbor and San Francisco; wholly by rail, and partly by rail and partly by water between Los Angeles and San Francisco; between the Harbor and points in Southern California, and between Los Angeles and points in Southern California, are unduly preferential of persons, firms and corporations located at Los Angeles and unduly prejudicial to complainants, in violation of Section 19 of the Act.

We are asked to require defendants to cease and desist from the aforesaid violations of the Public Utilities Act and to establish rates for the future which shall be just, reasonable, and free from undue preference and prejudice.

The Harbor Department of Long Beach, the Long Beach Chamber of Commerce and Curtis Corporation intervened on behalf of complainants. The Associated Jobbers and Manufacturers of Los Angeles, San Francisco Chamber of Commerce, and Oakland Chamber of Commerce intervened on behalf of defendants. The American Potash and Chemical Corporation, Fresno Traffic Association, Western Sugar Refining Company and California-Hawaiian Refining Corporation also intervened but did not state the purpose of their intervention.

Public hearings were held at Los Angeles April 23 and 24 and May 22, 23 and 24, 1929, and the complaint having been

duly submitted and briefs filed is now ready for an opinion and order. Rates are stated in cents per 100 pounds unless otherwise specifically noted.

While complainants call into question practically all of the intrastate class and commodity rates, San Francisco and south, there was no attempt to sustain all of the allegations. The evidence was confined to four major issues: First, that the class and commodity rates from San Francisco via rail and via water to the Harbor, and via rail and via water-and-rail to Los Angeles are unreasonable and prejudicial to the Harbor and preferential of shippers at Los Angeles; second, that the class and commodity rates via rail from the Harbor to points in Southern California, the San Joaquin Valley and on the Coast Division of the Southern Pacific are preferential of shippers at Los Angeles and prejudicial to complainants; third, that the class and commodity rates via rail from the Harbor to points in Southern California, the San Joaquin Valley and on the Coast Division of the Southern Pacific are unreasonable to the extent they exceed the rates for comparable distances from San Francisco; and fourth, that the class and commodity rates via rail from San Francisco to points in the San Joaquin Valley and on the Coast Division of the Southern Pacific and other interior points are preferential of shippers at San Francisco and prejudicial to complainants. The commodity rates referred to in the record are those applicable to sugar, canned goods, beans, bananas, coffee, syrup, molasses, rice, beverages, coal, acid, roofing and building materials, bags and bagging, paper, paints, soap and washing compounds, tin cans, wooden barrels, fibreboard, paperboard and strawboard boxes. The other allegations of the complaint will be deemed to be abandoned.

San Pedro and Wilmington are situated on San Pedro Bay approximately 25 miles south of the business district of Los

Angeles. They are however within the corporate limits of the latter point, having been annexed in 1909 to enable Los Angeles to reach tidewater and to develop there a harbor adequate to handle the water-borne tonnage moving from and to that city. In 1910 the city appropriated \$10,000,000 for this work and has since expended an additional \$22,000,000 in improving the Harbor, including the erection of wharves, warehouses and other facilities of transportation. In this undertaking it has been assisted by the United States government, which in 1910 erected a breakwater at the edge of the outer harbor at a cost of \$3,100,000, and subsequently spent an additional \$7,500,000 in dredging and improving the channel.

The Harbor is served by some 65 steamship lines, 4 rail carriers (The Atchison, Topeka and Santa Fe Railway, Los Angeles & Salt Lake Railroad, Southern Pacific Company and Pacific Electric Railway Company), and numerous automobile truck lines. The switching service at this terminus is performed by the Harbor Belt Line, operating the facilities and properties formerly maintained separately by the City of Los Angeles and the four railroads.

Complainants are primarily concerned in the development of the Harbor district, of which San Pedro constitutes the outer and Wilmington the inner harbor. There is a considerable acreage of unoccupied land adjacent to both districts, some of which is now available for industrial sites. One of complainants' main objectives is to prevail upon new industries to utilize this unoccupied land, but they claim their efforts have been hampered by the present adjustment of freight rates. Moreover, it is claimed this adjustment has not only retarded the industrial expansion of the Harbor but has made it difficult for the industries now at the Harbor, with the exception of

those handling petroleum products, lumber and cotton, to meet the competition of jobbers at Los Angeles and San Francisco.

Complainants maintain that the alleged disadvantages should be eliminated by establishing rates from San Francisco to the Harbor lower than those contemporaneously in effect from San Francisco to Los Angeles by an amount equal to the local rail rates from the Harbor to Los Angeles, or in the alternative to place the rates from the Harbor to interior points on the same basis as those from Los Angeles. They further ask that the Harbor be accorded the same rates to San Joaquin Valley and Coast Division points as in effect from San Francisco for comparable distances.

Defendants and interveners question the sufficiency of the showing here made with respect to the alleged undue preference and prejudice between the Harbor on the one hand and Los Angeles and San Francisco on the other, contending there is no affirmative showing that shippers at Los Angeles or San Francisco are actually forwarding their products in competition with those at the Harbor, and therefore the apparent discrepancies shown in complainants' exhibits are nothing but rate studies. While the record is without doubt meager with respect to any actual competition between shippers in the three localities, I do not believe this fact precludes these complainants from obtaining such relief as the evidence warrants. This complaint was brought by organizations devoted to the industrial welfare of the Harbor district for the purpose of obtaining an equitable adjustment of rates between localities rather than between individual shippers. Section 19 gives us jurisdiction to entertain complaints of this nature, and where complainants show that rates on like commodities from competitive points to a common territory are generally lower than from

their own locality, and it is evident that such traffic is being transported under substantially similar circumstances and conditions, it seems apparent the Harbor is prima facie placed at a rate disadvantage. This presumption has been to some extent rebutted, as will be shown later.

THE RATES FROM SAN FRANCISCO TO THE
HARBOR AND LOS ANGELES

It is clear from this record that the rates from San Francisco to the Harbor and Los Angeles are not in and of themselves placing complainants at a disadvantage or affording Los Angeles an undue preference. The rail rates are the same to both points and are nonintermediate in application, being lower than the rates to the intermediate points. The less than carload class rates (1st to 4th inclusive) via the steamer lines are 5 cents less to the Harbor than to Los Angeles, but the carload class rates (5th to E inclusive) and many, but not all, of the commodity rates are the same in volume to both points. Complainants contend that the Harbor being located directly at tidewater and Los Angeles 21 miles therefrom via rail, they are being deprived of the natural advantages of their geographical location by not having differentials under Los Angeles with respect to all rates.

Complainants further contend that in permitting the rail lines to publish nonintermediate rates to Los Angeles on the same basis as to the Harbor we have incorrectly construed the long and short haul provisions of the Constitution and the Public Utilities Act to the extent that the authority to grant relief must be restricted to the port-to-port rates, and that the rates from and to the interior points should be based upon the port rates. This contention, however, finds no support in the long and short haul sections of the Constitution or the Act. In

granting long and short haul relief we have authorized rail lines to meet water competition at the ports and upon proper justification to extend the port rates to the contiguous interior points. This policy was adopted In Re Application of Southern Pacific, etc., 10 C.R.C. 354, where the rail carriers were permitted to continue in effect the rates between San Francisco and Los Angeles first established in 1899 to meet the water competition through the harbor serving Los Angeles, known as Port Los Angeles and situated near the present location of Santa Monica. Steamer lines also served Redondo Beach, Newport Beach and San Pedro, but the preponderance of the water-borne tonnage was destined to the center of population at Los Angeles proper. At that time Los Angeles was constructively made a water terminal by the action of the intercoastal steamship lines, operating through the ports of San Diego and San Francisco, in absorbing the rail haul charges from the two ports to Los Angeles, thus giving to Los Angeles the same rates as in effect to other Pacific Coast ports. The rail lines met this competition by establishing terminal rates to Los Angeles, both as to intrastate and interstate traffic. The competition at the southern ports was relatively unimportant, although the Los Angeles rail rates were published to these ports and at the intermediate points between the ports and Los Angeles, creating a group adjustment in the territory. I find nothing in this record that would warrant disrupting this rate adjustment, which has been in effect for more than thirty years.

Complainants also attack the rates of both the rail lines and the water lines between San Francisco and the Harbor as being unreasonable under Section 13 of the Act. The rail rates, as already stated, are nonintermediate in application, originally depressed to meet water competition, and are thus prima facie less than maximum reasonable rates. The water

lines rates are claimed to be unreasonable upon the theory that in joining with the railroads in through rates to Los Angeles the locals of the rail lines from the Harbor to Los Angeles are absorbed and therefore the Harbor rates could be reduced by the amount of these locals. This theory however is based purely upon conjecture, as the record does not show what divisional arrangements the water and rail lines have. Manifestly the water lines receive less net revenue on traffic to Los Angeles than to the Harbor, but this does not, per se, prove the rates to the Harbor to be too high or the Los Angeles rate to be too low. Both of these adjustments voluntarily made by carriers may well be, under the existing compelling conditions, within a zone of reasonableness. As a practical matter it is desirable for defendants to maintain the Harbor and Los Angeles rates on the same basis in order to retain the tonnage to the common carrier lines which would undoubtedly go to the trucks, many of which are operating as so-called contract carriers, if there was any material spread between the Harbor and the Los Angeles rates. This is borne out by the fact that about 80% of the tonnage via the intercoastal lines, which publish rates to the Harbor only, moves to Los Angeles via trucks.

It seems manifest that, as the Harbor is now either on a rate equality with Los Angeles or has lower rates, complainants are not at a disadvantage by the present rates from San Francisco to Los Angeles.

THE RATE ADJUSTMENT BETWEEN THE
HARBOR AND LOS ANGELES

The principal difficulty of shippers at the Harbor does not arise because of the inbound rates to the Harbor and Los Angeles, but from the combination of the inbound rates plus the outbound rates. Complainants however do not bring into issue

the existing rates as such but have elected to separately attack the inbound and outbound rates.

The outbound rates from the Harbor are not maintained on any uniform relationship with Los Angeles. The class rates to points on the Coast Division of the Southern Pacific are in most cases based combination over Los Angeles without observing the minimum scale. To Southern California points, exclusive of the Imperial Valley, they are slightly less than the combination over Los Angeles, while to the Imperial and San Joaquin Valleys the spread is considerably narrowed.

Complainants ask that we place both the Harbor and Los Angeles on the same basis as to the outbound class rates, inasmuch as defendants have voluntarily done this with respect to the inbound carload class rates. But this proposal utterly disregards distance as a factor in establishing rates. While defendants have disregarded the greater distance to Los Angeles via water on traffic from San Francisco, it must be borne in mind that for a haul of approximately 500 miles it is entirely proper to group points located only 21 miles apart, but for the shorter hauls, such as involved here, from the Harbor to interior points, the differences in distance cannot be entirely ignored.

Complainants further propose that, in addition to placing the Harbor and Los Angeles on the same basis, we use as a measure for the class rates from both points the rates in effect from San Francisco to points in the San Joaquin Valley. These rates were published following the decision of this Commission in Case 116, Traffic Bureau of the Merchants Exchange vs. Southern Pacific et al. (1 C.R.C. 95, March 28, 1912), wherein rates were prescribed between Stockton and the San Joaquin Valley. The San Francisco rates were made by using the water-depressed local rates from San Francisco to Stockton plus the rates prescribed from Stockton to the San Joaquin Valley; thus the

through rates from San Francisco to the San Joaquin Valley were materially less than found reasonable from Stockton to the San Joaquin Valley for comparable distances. The San Francisco-San Joaquin Valley rates are lower than the general level of class rates in California (J.G.Boswell Company et al. vs. A.T.& S.F. Ry., 33 C.R.C. 308), and consequently do not afford a proper measure for the rates from the Harbor.

The class rates from the Harbor to San Joaquin Valley points vary from 7½ cents for first class to 2 cents for Class E higher than the Los Angeles rates. The Los Angeles rates were originally established by this Commission in Case 116, supra, and have since been modified only by the general war-time increases and reductions. The spread between the Harbor and Los Angeles is now higher than defendants maintain to the Imperial Valley and results in rates from the Harbor higher than those established in Case 116 for comparable distances from Los Angeles. Defendants contend the present rates are now lower than maximum reasonable rates as evidenced by the class rates prescribed by the Interstate Commerce Commission in the Mountain-Pacific territory between Arizona and California, Oregon and California, and in the Northwest, and the further fact that the operating conditions, particularly between Los Angeles and the Harbor and over the Tehachapi, are extremely severe. The class rates prescribed by the Interstate Commerce Commission, as I interpret the decisions pertaining thereto, were designed to apply as maximum rates throughout the Mountain-Pacific territory as a whole and were not intended to be indicative of the class rates where transportation conditions are more favorable than those prevailing generally in the Mountain-Pacific territory. In so far as any difficulty of operation from the Harbor to the San Joaquin Valley is concerned, defendants have already been compensated therefor by

the allowance of constructive mileage (Case 116 supra) in computing the rates from Los Angeles to the San Joaquin Valley. This is sufficient also to compensate defendants for any adverse operating conditions encountered in the haul from the Harbor to Los Angeles, which appear to be mainly occasioned by the congested areas through which the lines pass. These however are probably not materially worse than encountered in passing through any large congested terminal district.

I can see no justification on this record that warrants defendants not according from the Harbor to the San Joaquin Valley the same basis of rates, distance considered, as in effect from Los Angeles. This will have the effect of materially decreasing the spread of rates between the points and will result in differentials more in harmony with those now voluntarily maintained to the Imperial Valley.

The Imperial Valley class rates were established as a result of a compromise following our decision in Board of Supervisors of Imperial County vs. Southern Pacific Company, 22 C.R. C. 93. The rates so established from the Harbor to Calexico, Brawley and a few other points were predicated upon rates established by the Interstate Commerce Commission between points in the Pacific Northwest and later found reasonable for application between Arizona and California in Docket 14999, Arizona Corporation Commission vs. Arizona Eastern Railroad et al., 113 I.C.C. 52. The same measure of rates was also used for establishing the rates from Los Angeles. This resulted in the Harbor being accorded class rates higher than Los Angeles by 5 cents, first class; 4 cents second and third class; 3 cents fourth class; 2 cents fifth class and Classes A and B, and one cent Classes C, D and E. While the defendants considered the Docket 14999

scale proper for a few points in the Imperial Valley, they continued to maintain higher rates than would be produced under this scale at the intermediate points. This largely accounts for the comparatively high spread between the Harbor and Los Angeles at many of the points east of Los Angeles. For example, the present first class rate from the Harbor to Cabazon is 86 cents and from Los Angeles $69\frac{1}{2}$ cents, a differential of $16\frac{1}{2}$ cents in favor of Los Angeles. If the Docket 14999 scale were used to measure the rate from the Harbor, the first class rate would be 79 cents, making a spread of $9\frac{1}{2}$ cents. From the Harbor to Indio, if the Docket 14999 scale were used, it would result in rates lower than now in effect from Los Angeles with the exception of one or two of the classes. The same will hold true to other points east of Los Angeles.

The rates prescribed by the Interstate Commerce Commission in Docket 14999 are generally higher than the Commission set from Los Angeles to the San Joaquin Valley. It may be that on a more comprehensive record there would be justification for prescribing rates to points east of Los Angeles different than the Docket 14999 scale, but this record is too meager to warrant disrupting the present general basis. Nor is it apparent that complainants would be materially benefitted by the San Joaquin Valley scale to the Imperial Valley, for this scale, if used in toto, would increase the fifth and Class A rates under which presumably a large part of the outbound commodities from the Harbor would move. However there appears no justification for maintaining rates to points east of Los Angeles higher than carriers voluntarily established to the Imperial Valley.

What has been said heretofore has related entirely to the class rates from the Harbor to the San Joaquin Valley, Imperial Valley and the intermediate territory. The adjustment

to the Coast Division points will be disposed of later.

Complainants have also alleged that the commodity rates from the Harbor to the interior points on sugar, canned goods, beans, bananas, coffee, syrup, molasses, rice, beverages, coal, acid, roofing and building materials, bags and bagging, paper, paints, soap and washing compounds, tin cans, wooden barrels, fibreboard, paperboard and strawboard boxes are unreasonable and preferential of Los Angeles and prejudicial to the Harbor. Practically all of these commodities are rated fifth class in carloads, and except in a few instances do not move under commodity rates but move under the class rates from both Los Angeles and the Harbor to the interior points. The complaint against these rates appears to be primarily occasioned because defendants have established from San Francisco to adjacent points commodity rates on the same articles which are lower than the present rates from either Los Angeles or the Harbor for comparable distances. Most of the rates from San Francisco used for comparative purposes apply in the territory where water competition originally, either directly or indirectly, influenced the level of these rates. In many decisions in the past we have held that generally the rates between San Francisco and points located on or adjacent to the San Francisco, San Pablo and Suisun Bays and the Sacramento, San Joaquin, Mokelumne, Old and Middle Rivers are subnormal, and that in some instances these subnormal rates have been extended to the interior points. (Los Angeles County et al. vs. A.T. & S.F. Ry. et al., 32 C.R.C. 296. S.F. Chamber of Commerce vs. S.P.Co., 11 C.R.C. 867. Riverside Portland Cement vs. S.P., L.A. & S.L.R.R., 6 C.R.C. 293.) The Interstate Commerce Commission held to the same effect in Oakland Chamber of Commerce vs. S.P.Co., 100 I.C.C. 55. There is no doubt that water competition today is less acute than it was when these

rates were originally established. However, the automotive truck has become a factor in forcing carriers to establish still lower rates. Indeed, the evidence shows that at the present time there are 34 truck lines, not including the so-called contract carriers, operating in Northern and Central California and that the truck competition has since January 1, 1926, compelled the rail lines to materially reduce the rates on sugar, canned goods, beans, coffee, paper, packing house products, rice, roofing and building materials and other commodities from San Francisco to points in the San Joaquin Valley. From this I must conclude the rates from San Francisco may not properly be used to determine the commodity rates from the Harbor.

As already stated, practically the entire movement of the commodities referred to by complainants moves from both Los Angeles and the Harbor under class rates. The differential between the two points will be considerably narrowed by the class rates hereafter prescribed, and will tend to eliminate the preference and prejudice complained of. There is no justification for establishing special commodity rates for these articles lower than the class rates prescribed, as there is nothing in this record to show that the commodities move in sufficient volume to warrant rates lower than the class rates.

THE ADJUSTMENT FROM SAN FRANCISCO TO THE INTERIOR
POINTS AS COMPARED WITH THE ADJUSTMENT FROM
THE HARBOR FOR COMPARABLE
DISTANCES

Complainants' allegation of undue preference of San Francisco and undue prejudice to the Harbor rests upon two grounds: First, that the rates from San Francisco to adjacent territory, including the San Joaquin Valley and other points, where lower than rates for comparable distances from the Harbor to the Southern California territory, unduly prefer shippers at

San Francisco and are prejudicial to the Harbor; and second, that the rates from San Francisco to the San Joaquin Valley and Coast Division points where lower for like distances than the rates from the Harbor to the same territory, likewise prefer San Francisco and are prejudicial to the Harbor.

The first point raised embraces a situation where San Francisco and the Harbor do not distribute their products in competition with one another. We have held that a mere difference in the level of the rates between localities does not constitute undue preference or prejudice unless it is affirmatively shown that a locality by reason of the rate adjustment is placed at an actual disadvantage as to the point alleged to be preferred. (Union Rock Company vs. A.T. & S.F. Ry. et al.; County of Los Angeles vs. A.T. & S.F. Ry. et al., supra.) It is obvious that the Harbor is not injured by the volume of rates in Northern California in effect in territory it does not and can not reach.

The second point brings about a different situation for here the Harbor and San Francisco are potentially able to reach the same territories in competition with each other. But in so far as the San Joaquin Valley is concerned I believe defendants have justified the disparity of rates from San Francisco on the one hand and from the Harbor on the other. Elsewhere in this opinion the forces which have controlled the rates from San Francisco have been referred to. These forces do not operate to the same degree from the Harbor to the San Joaquin Valley.

However, there is no justification for maintaining a different basis of rates from San Francisco to the Coast Division points than from the Harbor to the same territory. The record shows conclusively that the operating conditions south

bound are not substantially more favorable than north bound from the Harbor. Defendants attempt to justify the present disparity of rates on the ground that water competition has controlled the rates from San Francisco. This no doubt is true to some extent but water competition likewise prevails from the Harbor to the same territory.

CONCLUSIONS

After consideration of all the facts of record I am of the opinion that the following findings should be made:

1. That the class rates from San Pedro and Wilmington to points in the San Joaquin Valley are unjust, unreasonable, preferential of Los Angeles and prejudicial to San Pedro and Wilmington to the extent they exceed or may exceed the following:

FROM

Class Rates in Cents per 100 lbs.

San Pedro
Wilmington

<u>TO</u>	1	2	3	4	5	A	B	C	D	E
Bakersfield	94½	80½	66	59	55½	55½	38½	28½	24	19½
Lerdo	96	81½	67½	61	55½	55½	38½	28½	24	20
Radnor	98½	84½	69½	62	56½	56½	39½	29½	25	20
Octol	101½	86	70	63½	58	58	41	31	25	20
Summer	104	89	73½	65	61	61	42½	31	27	21½
Fresno	107	92	74½	67½	62	62	42½	33	27	21½
Merenda	112½	96	79	70	65	65	45	34	28½	22½

Note: Rates to points here involved but not specifically shown above shall be published not to exceed the basis herein prescribed.

2. That the class rates from San Pedro and Wilmington to points east of Los Angeles are unjust, unreasonable, unduly preferential of Los Angeles and prejudicial to San Pedro and Wilmington to the extent they exceed or may exceed the following:

FROM

Class Rates in Cents per 100 lbs.

Wilmington
San Pedro

<u>TO</u>	1	2	3	4	5	A	B	C	D	E
Colton	59	51	42	36	30	30	24	18	15	12
Cabazon	79	67	55	47	40	40	32	24	20	16
Palm Springs	85	72	60	51	43	43	34	26	21	17
Indio	90	77	63	54	45	45	36	27	23	18
Mortmar	96	82	67	58	48	48	38	29	24	19
Wister	101	86	71	61	51	51	40	30	25	20

Note: Rates to points here involved but not specifically shown above shall be published not to exceed the basis herein prescribed.

3. That the class rates and the commodity rates here involved from San Pedro and Wilmington to points on the Coast Division of the Southern Pacific are unduly preferential of San Francisco and prejudicial to San Pedro and Wilmington to the extent the class and the commodity rates here involved from San Pedro and Wilmington exceed or may exceed the class and commodity rates contemporaneously in effect for comparable distances from San Francisco to points on the Coast Division.

4. That as to all other matters here involved the complaint should be dismissed.

I recommend the following form of order:

O R D E R

This case having been duly heard and submitted, full investigation of the matters and things involved having been had, and basing this order on the findings of fact contained in the preceding opinion,

IT IS HEREBY ORDERED that defendants, according as they participate in the transportation, be and they are hereby notified to cease and desist on or before forty-five (45) days from the effective date of this order and thereafter to abstain from assessing, demanding and collecting class and commodity rates from San Pedro and Wilmington not in accordance with those set forth in the opinion which precedes this order.

IT IS HEREBY FURTHER ORDERED that defendants, according as they participate in the transportation, be and they are hereby notified and required to establish on or before forty-five (45) days from the effective date of this order, upon not less than five (5) days' notice to the Commission and to the public, class and commodity rates from San Pedro and Wilmington

which shall not exceed those set forth in the opinion which precedes this order.

IT IS HEREBY FURTHER ORDERED that as to all other matters here involved the complaint be and the same is hereby dismissed.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 11th day of February, 1930.

Cl Seawey
Emm Deob

Thos J. Lovitt

M. J. Carr
Commissioners.