

Decision No. 742

ORIGINAL

G. M. SIMPSON, doing business as the G. M. Simpson Lumber Company; PATTEM & DAVIES LUMBER COMPANY, a corporation; OLSON LUMBER COMPANY, a corporation, and the SOUTH PASADENA LUMBER COMPANY, a corporation,  
Complainants.

-vs-

Case No. 363

SOUTHERN PACIFIC COMPANY, a corporation, and SAN PEDRO, LOS ANGELES & SALT LAKE RAILROAD COMPANY, a corporation,  
Defendants.

SAN GABRIEL VALLEY LUMBER COMPANY, a corporation,  
Complainant.

-vs-

Case No. 375

SOUTHERN PACIFIC COMPANY, a corporation, and PACIFIC ELECTRIC RAILWAY COMPANY, a corporation,  
Defendants.

APPEARANCES

Frank Karr for Pacific Electric Railway Company  
Richard J. Culver for Complainants  
George D. Squires for Southern Pacific Company  
A. S. Halsted for San Pedro, Los Angeles & Salt Lake Railroad Company

LOVELAND, Commissioner:

O P I N I O N

These cases involve similar matters and were combined and heard together.

In Case 363 the complainants contend that the present rate of 7¢ per 100 lbs. on Lumber, in carload lots, from San Pedro to Alhambra and South Pasadena, via the line of the Southern Pacific Company, is discriminatory for the reason that it does not bear the same relation to the present rate on Lumber, in carload lots, from San Pedro to Los Angeles via the Southern Pacific Company as was maintained prior to February 8, 1912, on which date the rate from San Pedro to Los Angeles on Lumber, in carload lots, was reduced

from 6¢ per 100 lbs. to 4¢ per 100 lbs. in compliance with the order of this Commission in Case No. 115, known as the San Pedro Rate Case. The San Pedro, Los Angeles & Salt Lake Railroad Company was erroneously included as a defendant in this matter, as that line does not operate from San Pedro and does not publish rates therefrom on Lumber to either Alhambra or South Pasadena. Therefore, this part of the complaint will be disregarded. The San Pedro, Los Angeles & Salt Lake Railroad Company does publish rates from East San Pedro to Alhambra jointly in connection with other lines and locally over its own line to South Pasadena, and the conclusions arrived at herein may properly be applied by the San Pedro, Los Angeles & Salt Lake Railroad Company to those rates.

The same discrimination is charged in the complaint in Case 375, with regard to the rate of 7¢ per 100 lbs. on Lumber, in carload lots, from San Pedro to San Gabriel by the lines of the Southern Pacific Company and Pacific Electric Railway Company.

In their answers to these complaints the Pacific Electric Railway Company and the Southern Pacific Company question the jurisdiction of this Commission, averring that the rates complained of are interstate rates and that therefore this Commission has no jurisdiction to consider or readjust them or to prescribe any rates covering shipments as described in the complaints. However, this point was not urged by the defendants at the hearing and in view of the admission of one of the defendants as to the reasonableness of the rates complained of and the conclusion of the Commission herein, I do not think it necessary that this question should be given further consideration at this time.

The contention of the complainants is based solely upon the fact that prior to the reduction in the rates from San Pedro to Los Angeles, the lumber merchants of Los Angeles could not reach the territory tributary to Alhambra, San Gabriel and South Pasadena and compete with the lumber dealers located at those points, but that subsequent to the reduction of the rate from San Pedro to

Los Angeles, a corresponding reduction not having been made from San Pedro to Alhambra, San Gabriel and South Pasadena, the Los Angeles lumber dealers were thereby enabled to actively compete for business which was regarded as naturally belonging to the lumber dealers located in Alhambra, San Gabriel and South Pasadena.

The principal witness for the defendant admitted that in view of the rate of 4¢ per 100 lbs. on Lumber, carloads, in effect from San Pedro to Los Angeles, that the present rate of 7¢ per 100 lbs. on Lumber, in carload lots, from San Pedro to Alhambra, San Gabriel and South Pasadena is somewhat excessive and stated that the Southern Pacific Company was willing to publish a rate of 6¢ per 100 lbs. on Lumber, carloads, from San Pedro to Alhambra, San Gabriel and South Pasadena. I believe this to be a reasonable and fair concession on the part of the carrier and that in view of the fact that it was not satisfactorily established by the testimony that the Los Angeles lumber dealers were actually and actively taking away the business of the lumber dealers at Alhambra, San Gabriel and South Pasadena because of the present rate on Lumber from San Pedro to Los Angeles, that the rate of 6¢ per 100 lbs. on Lumber, in carloads, from San Pedro to Alhambra, San Gabriel and South Pasadena should be satisfactory to the dealers themselves.

After careful consideration of all of the circumstances, including the difference in distance, the difference in the volume of business to Los Angeles and the other points involved as affecting the cost of performing the service, I am of the opinion and find as a fact that a rate of 6¢ per hundred lbs. is a just and reasonable rate for the Southern Pacific Company to charge on Lumber, in carloads, from San Pedro to Alhambra and South Pasadena.

I do not find that the circumstances and conditions on the Pacific Electric Railway between San Pedro and San Gabriel are sufficiently dissimilar and unlike ~~as~~ to justify a higher rate than was admitted to be reasonable by the principal witness for the

defendant Southern Pacific Company and I therefore find as a fact that a rate of 6¢ per 100 lbs. on Lumber, in carloads, is a just and reasonable rate for the Pacific Electric Railway Company and the Southern Pacific Company to charge on Lumber, carloads, from San Pedro to San Gabriel, California.

I therefore submit the following form of order.

O R D E R

Complaints having been filed as to the discrimination in the rates on Lumber, in carloads, from San Pedro to Alhambra, San Gabriel and South Pasadena, and a full investigation of the matters and things involved having been had and the matter having been duly heard and the Commission being of the opinion that a rate of 6¢ per 100 lbs. is a just and reasonable rate for the transportation of Lumber, in carload lots, from San Pedro to Alhambra, San Gabriel and South Pasadena.

IT IS HEREBY ORDERED that the Southern Pacific Company publish and file and put into effect a rate of 6¢ per 100 lbs. as a just and reasonable rate for the transportation of Lumber, carloads, from San Pedro to Alhambra, San Gabriel and South Pasadena, California, and that the Pacific Electric Railway Company publish and file and put into effect a rate of 6¢ per 100 lbs. as a just and reasonable rate for the transportation of Lumber, carloads, from San Pedro to San Gabriel, California.

AND IT IS FURTHER ORDERED that the complaint herein against the San Pedro, Los Angeles and Salt Lake Railroad Company be and it is hereby, dismissed, and

IT IS FURTHER ORDERED that the Pacific Electric Railway Company and Southern Pacific Company publish and file in a tariff with this Commission the rates found herein to be just, and reasonable, to become effective August 1, 1913.

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 25<sup>th</sup>  
day of June, 1913.

John W. Eschleman

H. D. England

W. Gordon

\_\_\_\_\_  
\_\_\_\_\_