

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

CITY LUMBER COMPANY,
ENDER BUILDING MATERIAL COMPANY,
HIGMAN LUMBER COMPANY,
PACIFIC LIME COMPANY,

Complainants,

vs.

Case No. 392

SAN PEDRO, LOS ANGELES & SALT LAKE
RAILROAD, and
ATCHISON, TOPEKA & SANTA FE RAILWAY
(Coast Lines),

Defendants.

CALIFORNIA HARDWOOD LUMBER COMPANY,
ENDER BUILDING MATERIAL COMPANY,
HIGMAN LUMBER COMPANY,
PACIFIC LIME COMPANY,

Complainants,

vs.

Case No. 394

SOUTHERN PACIFIC COMPANY, and
ATCHISON, TOPEKA & SANTA FE RAILWAY
(Coast Lines)

Defendants.

A. E. Stewart, Esq., for Complainants,

A. S. Halstead, Esq., for San Pedro, Los Angeles
and Salt Lake Railroad

E. W. Camp, Esq., and A. M. Reinhardt, Esq., for
Atchison, Topeka & Santa Fe Railway

G. D. Squires, Esq., for Southern Pacific Company.

LOVELAND, Commissioner.

O P I N I O N

At the hearing of the above entitled cases, the issues being practically identical, complainants and defendants agreed that the cases should be consolidated and heard at one time and that the testimony, as far as possible, would be applicable to

both cases.

In case No. 392 the complainants ask that the present joint rate of six cents per one hundred pounds on lumber and forest products, in carload lots, be reduced to four cents per hundred pounds from East San Pedro and East Wilmington to points on the Atchison, Topeka and Santa Fe Railway west of Nadeau Park. The route from East San Pedro to points on the Santa Fe west of Nadeau Park is via the San Pedro, Los Angeles & Salt Lake Railroad to Hobart thence via the Santa Fe to destination.

In case No. 394 the complainants ask that the present joint rate of six cents per hundred pounds on lumber and forest products, carloads, from San Pedro proper to points on the Santa Fe west of Nadeau Park be reduced to four cents per hundred pounds. The route from San Pedro is via the Southern Pacific Company from San Pedro to Los Angeles thence via the Santa Fe to destination.

Considering, first, case No. 392: The plants of the complainants are located along the Redondo branch of the Santa Fe between Nadeau Park and Inglewood. The Commission in its decision in Case No. 115, known as the San Pedro Rate Case, established a rate of 80 cents per ton on lumber and forest products between San Pedro and Los Angeles via the Southern Pacific Company. This rate was met by the San Pedro, Los Angeles & Salt Lake Railroad from East San Pedro to Los Angeles, by the Pacific Electric Railway from San Pedro to Los Angeles, and by the Atchison, Topeka and Santa Fe from Redondo to Los Angeles.

The yards of the complainants being between Redondo and Los Angeles the rates of the Atchison, Topeka and Santa Fe to the plants of the complainants were automatically reduced to 80 cents per ton. The complainants urged that because of the establishment by the Commission of the rate of 80 cents per ton between San Pedro and Los Angeles and subsequent joint publications by the various defendants to these actions the lumber yards situated exclusively on the Santa Fe west of Nadeau Park are discriminated against to the extent of 40 cents per ton. The complainants apparently over-

looked the fact that on lumber destined to Los Angeles proper the carriers in addition to receiving a rate of 80 cents per ton also received a switching charge of \$2.50 per car or approximately ten cents per ton so that the discrimination, if any exists, amounts to but 30 cents per ton inasmuch as no switching charges are paid by the complainants over and above the regular main line rate.

The defendants, the San Pedro, Los Angeles and Salt Lake Railroad Company and the Atchison, Topeka and Santa Fe Railway Company, maintain a joint rate of 80 cents per ton between East San Pedro, East Wilmington and Los Angeles via Hobart. This rate, the defendants urge, was a forced and compelled rate and established in order to meet via this joint route the direct line rate of the Southern Pacific Company from San Pedro to Los Angeles. Undoubtedly this rate was published to meet the rate via the Southern Pacific Company from San Pedro to Los Angeles, for under the switching arrangements at that point the Southern Pacific Company could have hauled the lumber from San Pedro to Los Angeles and there delivered it to the Santa Fe which company charged \$2.50 per car for making the delivery to the industry. The lumber could likewise be hauled from East San Pedro via the Salt Lake Road to Los Angeles and there delivered to the Santa Fe for switching, as there is a universal switching charge of \$2.50 per car to industries reached by any of the lines regardless of which line receives the main line haul to Los Angeles. It seems obvious that the joint rate via Hobart between San Pedro, Los Angeles and Salt Lake Railroad and Atchison, Topeka and Santa Fe Railway was established so that the Santa Fe might receive some proportion of the main line revenue instead of simply a switching charge. If either the Southern Pacific Company or Salt Lake Road haul the cars to Los Angeles the maintenance of the joint rate via Hobart was of no advantage to receivers of lumber located on the Santa Fe at Los Angeles, for the reason that they pay exactly the same charges as would have accrued had the lumber moved via the Salt Lake Road to Los Angeles and there delivered to the Santa Fe.

Therefore I am inclined to believe that while indirectly

and remotely the joint rate of 80 cents per ton was a forced and compelled/^{rate} it was only so to the extent of keeping the Hobart gateway open and not of any necessity so far as consignees were concerned. When cars are delivered by the Salt Lake Road at Hobart the Santa Fe haul the same to Los Angeles either by road or switch engine, from which point the same are distributed to industries to which they are destined. Under this arrangement the Santa Fe receives a certain division of the through rate of 80 cents per ton and in addition thereto a switching charge of \$2.50 per car. For this division and switching charge the Santa Fe will switch cars of lumber from Los Angeles to the end of their switching limits on the Redondo line near Nadeau Park, a distance of approximately five miles. If cars are destined to industries of the complainants west of the switching limits of the Santa Fe at Nadeau Park the Santa Fe receives only its division of the through rate of \$1.20 per ton, which through rate is claimed to be excessive.

While the Santa Fe in case of routing via Hobart receives its division of the through rate and in addition thereto a switching charge when destined to points east of Nadeau Park it will be readily seen that if the shipment moved via Los Angeles all the Santa Fe would receive for switching to points east of Nadeau Park would be \$2.50 per car. It must be apparent that if the Santa Fe is willing to switch lumber from Los Angeles to Nadeau Park for \$2.50 per car, thus making a through rate from East-San Pedro to Nadeau Park of 80 cents per ton plus \$2.50 per car, that the joint rate of \$1.20 per ton via Hobart is excessive and unreasonable to the industries of the complainants located from two to three and one-half miles west of Nadeau Park.

However, I am unable to agree with complainants contention that they are entitled to a joint rate of 80 cents per ton which, according to their contention, would put them on a parity with the lumber yards of Los Angeles proper. As we have before stated, the rate to Los Angeles dealers is 80 cents per ton plus \$2.50 per car for switching, making the aggregate rate 90 cents per ton. There

is some additional service to points west of Nadeau Park and while the Salt Lake Road performs somewhat less service when deliveries are made at Hobart I do not believe the difference is enough to warrant the establishment of a rate of 80 cents per ton.

I find as a fact from the evidence in this case that a reasonable joint rate for the transportation of lumber and forest products, in carload lots, from East San Pedro and East Wilmington to points on lines of the Atchison, Topeka and Santa Fe Railway west of Nadeau Park to and including the lumber yard of the Elder Building Material Company to be \$1.00 per ton of 2,000 pounds.

Considering now Case No. 394: In this case the complainants ask for a joint rate via the Southern Pacific Company in connection with the Atchison, Topeka and Santa Fe Railway on shipments of lumber and forest products from San Pedro to the lumber yards of the complainants via Nadeau Park.

It was brought out at the hearing that the publication of joint rates via Nadeau Park was the result of a mistake due to the fact that after the traffic departments of the Southern Pacific Company and Santa Fe had agreed on an interchange of traffic at Nadeau Park the operating departments were unable to make physical connections because of excessive cost of right of way, - the business which would be interchanged at that point not being deemed of sufficient volume to warrant the expenditure. The present joint rate, therefore, between the Southern Pacific Company and the Santa Fe on lumber from San Pedro to the yards of complainants is based on an interchange at Los Angeles and it requires on the part of the Southern Pacific Company the identical service which would be performed by that company in event delivery was made at Los Angeles proper.

The situation concerning the joint movement via the Southern Pacific Company and the Santa Fe differs to such an extent from the joint movement via the Salt Lake Road and Santa Fe through Hobart, particularly in view of the fact that the Southern Pacific Company performs identically the same service on joint business in connection with the Santa Fe as it does on local business destined Los Angeles

and receives for the joint business 80 cents per ton as against 90 cents when it delivers the lumber to an industry on its line, that I cannot hold that the same rate, viz: \$1.00 per ton, which I find to be reasonable for joint movements between the Salt Lake Road and Santa Fe, would also be reasonable via the Southern Pacific and Santa Fe.

For reasons expressed above I believe the complaint in case No. 394 should be dismissed.

Complainants in both of these cases demand reparation because of the collection of the alleged excessive and unreasonable rate of \$1.20 per ton. While I find that a reasonable rate for the joint movement via the San Pedro, Los Angeles and Salt Lake Railroad and the Atchison, Topeka and Santa Fe Railway via Hobart on lumber and forest products, in carload lots, is \$1.00 per ton the complainants have not proven that they suffered damages by reason of the collection of the rate of \$1.20 per ton. It must be proven that complainants actually suffered damages by reason of the collection of excessive charges, otherwise no reparation will be awarded. (Darnell-Taenzler Lumber Company, et al, vs. Southern Pacific Company, at al, 190 Federal 659; Demming Lumber Company vs. Southern Pacific Company, et al, 24 I.C.C. 598).

I recommend the following order:

O R D E R

City Lumber Company, Elder Building Material Company, Higman Lumber Company and Pacific Lumber Company having complained in case No. 392 that the joint rates of the San Pedro, Los Angeles and Salt Lake Railroad Company and the Atchison, Topeka and Santa Fe Railway Company (Coast Lines) for the transportation of lumber and forest products from East San Pedro and East Wilmington via Hobart to points west of Madean Park to and including the yard of the Elder Building Material Company are excessive, unreasonable and discriminatory, and a regular hearing having been held and basing its

order on the findings of fact contained in the opinion preceding this order

IT IS HEREBY ORDERED, that the San Pedro, Los Angeles and Salt Lake Railroad Company and the Atchison, Topeka and Santa Fe Railway Company publish and file with this Commission in the manner prescribed by law on or before twenty (20) days from the effective date of this order a joint rate for the transportation of lumber and forest products, in carload lots, from East San Pedro and East Wilmington to points on the Atchison, Topeka and Santa Fe Railway (Coast Lines) west of Nadeau Park to and including the yard of the Elder Building Material Company of \$1.00 per ton.

The California Hardwood Lumber Company, Elder Building Material Company, Higman Lumber Company and Pacific Lumber Company having complained of the joint rate of the Southern Pacific Company and the Atchison, Topeka and Santa Fe Railway Company between San Pedro and points on the Atchison, Topeka and Santa Fe Railway west of Nadeau Park to and including the yard of the Elder Building Material Company, and a regular hearing having been held and basing its order on findings set out in the preceding opinion,

IT IS HEREBY ORDERED, that the complaint in case No. 394 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 19th day of July, 1913.

John W. Washburn
H. S. Leland
Max Thelen

Commissioners.