

ORIGINAL

Decision No. 28235.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of Sudden Steamship Company for authority to adjust freight rates.) Application No. 19024.

In the Matter of the Application of Los Angeles-Long Beach Despatch Line for authority to adjust freight rates.) Application No. 19025.

In the Matter of the Application of John Byrne, Agent, for authority to adjust freight rates.) Application No. 19026.

In the Matter of the Application of San Diego-San Francisco Steamship Company for authority to publish on short notice rates that will result in increases between San Francisco Bay points and Long Beach and San Diego. etc.) Application No. 19027.

In the Matter of the Application of South Coast Steamship Company for authority to adjust freight rates.) Application No. 19028.

- William Gissler, Jr., for Sudden Steamship Company and the Los Angeles-Long Beach Despatch Line.
- C. S. Booth, for John Byrne, Agent, and the carriers parties to Application 19026.
- Rolf Stahlbaum, for San Diego-San Francisco Steamship Co.
- Edwin G. Wilcox, for the Oakland Chamber of Commerce.
- Frank M. Chandler, for Certain-teed Products Corporation and interveners in Case No. 3332.
- E. A. Lincoln, for Fibreboard Products, Incorporated.

SEAVEY, Commissioner:

O P I N I O N

The carriers on whose behalf these applications have been filed are engaged in the transportation of freight, primarily by vessel, between the San Francisco Bay district, San Diego,

Long Beach, Los Angeles Harbor, Los Angeles and other points. They seek authority under Sections 15 and 63 of the Public Utilities Act to publish on less than statutory notice revised rates, rules and regulations, many of which result in increases over those now in effect.

A public hearing was held at San Francisco August 3, 1933, at which time the matters were submitted.

The circumstances leading up to the filing of these applications briefly are as follows:

The carriers by water on whose behalf Application No. 19026 has been filed, heretofore brought a complaint¹ in which they alleged that the rates maintained by the defendants (applicants in Applications 19024, 19025, 19027 and 19028) were unreasonably low and otherwise unlawful. They sought such orders as might be necessary to bring about uniformity and stability at reasonable and lawful rates. They contended that the rates they themselves maintained were reasonable, and suggested that defendants be required to increase theirs to that basis. The Commission found that public interest required that the rates of these competing carriers be uniform, but that although on the whole both complainants and defendants were in dire need of additional revenue, a proper basis could not be determined on the record made. Complainants were authorized on or before July 1, 1933, to reduce their rates to the level of those concurrently maintained by the defendants, and conversely defendants were permitted to reduce their rates to the level of those maintained by the complainants

¹ Chamberlin Steamship Co. et al. vs. San Diego-San Francisco Steamship Co. et al., 38 C.R.C. 725.

in the instances in which defendants' rates were the higher.

Pursuant to the authority they had obtained, complainants in Case 3332, effective June 20, 1933 reduced many of their rates. The Oakland Chamber of Commerce immediately protested these reductions on the ground that they unduly discriminated against shippers and receivers at Oakland by creating differentials in rates between San Francisco and Oakland. This the carriers freely admitted. They thereupon agreed upon a rate structure calculated to remove this discrimination, the approval of which they here seek.

The proposed rates result in both increases and reductions. In no case however are they higher than the rates the Conference Lines (applicants in Application 19026) had in effect prior to June 20, 1933. If authorized they will with few exceptions bring about the uniformity recommended in the Chamberlin Case, supra.

The applications are supported by the Oakland Chamber of Commerce; excepting for the Certain-teed Products Corporation they have not been protested.

Careful consideration of the record in this proceeding, together with that in the Chamberlin Case, leads me to the conclusion that public interest requires that the applications be granted.

Because of the extent of the adjustment here proposed it is impractical to consider in detail each individual rate. It will be understood therefore that any shipper or group of shippers may properly challenge the reasonableness or lawfulness of any individual increases herein authorized by complaint brought in the usual manner should such increases be regarded as unreasonable or in any other manner unlawful. Applicants, before accepting the

benefits of this order and before filing the rates authorized herein, will be required to agree that they will never urge before this Commission in any reparation proceeding under Section 71 of the Public Utilities Act or in any other proceeding, that the opinion and order herein has found that any individual rate authorized is reasonable.

I recommend the following form of order:

O R D E R

These applications having been duly heard and submitted, IT IS HEREBY ORDERED that the applicants in these proceedings be and they are hereby authorized to publish on not less than five (5) days' notice to the Commission and the public, rates, rules and regulations of the volume of those set forth in their respective applications.

IT IS HEREBY FURTHER ORDERED that the authority herein granted be and it is subject to the express condition that none of the parties to these proceedings will ever urge before this Commission in any proceeding under Section 71 of the Public Utilities Act or in any other proceeding, that the opinion or order herein constitutes a finding of fact of reasonableness of any particular rate, and the filing of rates pursuant to the authority herein granted will be considered as consent by the respective carriers to this condition.

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 10th day of August, 1933.

W. B. Harrison
Commissioner
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Commissioner
Commissioners.