

Decision No. 28654.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the joint application of)
J. H. BAXTER & CO., CONSOLIDATED LUMBER)
COMPANY, GRIPPER & HAGLIND, INC., GENERAL)
DOCK CO., HAMMOND PACIFIC TRAILERS, LTD.,)
KERCKHOFF-CUZNER MILL & LUMBER CO., CHAS.)
R. MCCORMICK LUMBER COMPANY OF LOS ANGELES,)
OUTER HARBOR DOCK & WHARF COMPANY, PATTEN-)
BLINN LUMBER CO., E. K. WOOD LUMBER COMPANY,)
JOHN E. MARSHALL, INC., for order of the)
commission authorizing filing of tariff)
publishing original and/or increased rates)
for handling lumber at terminals located at)
Los Angeles and Long Beach harbors.)

Application No. 20285.

ORIGINAL

E. J. Forman, for applicants.

Charles H. Bland, for Board of Harbor Commissioners
of Long Beach.

BY THE COMMISSION:

O P I N I O N

Applicants operate terminal facilities at Los Angeles and Long Beach Harbors. By application filed December 4, 1935, and as amended they seek authority to file with the Commission and make effective a tariff naming rates, rules and regulations for wharfage, dockage, handling and other services performed by them on lumber and forest products.¹

¹ The proposed rates, reproduced in Exhibit No. 1 attached to the application and as amended at the hearing by restricting the scale of dockage charges set forth in Item 9 to apply at Los Angeles Harbor and by the inclusion of another scale set forth in Exhibit No. 7 paragraph 7 to apply at Long Beach Harbor, are to be published in a tariff to be filed by E. J. Forman as agent for applicants other than Outer Harbor Dock & Wharf Company and John E. Marshall, Inc., which applicants intend to file individual tariffs. They will supersede the rates on lumber and forest products now carried in Wharf Tariff No. 3, C.R.C. No. 3, filed by H. Riddiford, Agent, for Patten-Blinn Lumber Co., Hammond Pacific Trailers, Ltd., Kerckhoff-Cuzner Mill & Lumber Co. and Chas. R.

The matter was submitted at a public hearing had before Examiner E. S. Williams at Los Angeles February 3, 1936.

In a number of instances the rates proposed are to be filed for the first time; in others they represent increases over those now in effect. The proposed wharfage charges are generally the same as those now applicable at municipal wharves of the City of Los Angeles on lumber moving in coastwise and inland waterway trades, and represent increases amounting to about 20%. In handling charges the resulting advances range from 21% when handling is to open railroad car, to 42% in the case of railroad box car or motor vehicle. Dockage charges at wharves located at Long Beach Harbor are to be placed on a parity with those maintained by the City of Long Beach and at wharves located at Los Angeles Harbor on the same basis as maintained by the City of Los Angeles, except that no change is proposed in the present dockage charges of the Outer Harbor Dock & Wharf Company. The proposed charge for overtime is 50% in excess of that provided for service performed during regular working hours in lieu of the present charge, which is generally based on "an additional amount not exceeding the actual expense involved". The foregoing represent the principal changes proposed by the application.

Applicants allege that the proposed rates will have the effect of placing all private lumber terminals at Los Angeles and Long Beach Harbors on a uniform rate level. The resulting increases, they contend, are fully justified by increases in operating costs.

The record shows that operating costs have materially in-

1 (continued)

McCormick Lumber Company of Los Angeles; Wharf Tariff No. 1, C.R.C. No. 1 of Gripper & Haglund, Inc.; and Wharf Tariff No. 3, C.R.C. No. 4 of Outer Harbor Dock & Wharf Company. J. H. Baxter & Co., Consolidated Lumber Company, General Dock Co. and E. K. Wood Lumber Company have no effective tariffs on file with the Commission.

creased since the present rates were established in 1921. These increases have been brought about primarily by increased wages, decreased labor efficiency, and a change in the method of handling lumber. The increase in wages is said to average 15%.² Labor efficiency is said to have decreased at least 25%.³

Applicants state that in 1921 when the present rates were established the bulk of the lumber handled was delivered to open railroad cars. This operation was comparatively simple, involving merely the lifting of an assembled load of rough-piled lumber from the wharf or yard onto the railroad car. Labor requirements could be estimated in advance and loading performed at the convenience of the wharfinger. Since that time however there has been a gradual diversion to trucks until at the present time approximately 95% of the lumber moving over applicants' facilities is delivered to trucks. In assembling a load for truck delivery, the lumber must be carefully piled and squared at one end and in some instances sorted into lengths. These operations as well as those involved in loading the truck require a larger crew, more equipment, and considerably more handling than was formerly required when loading to railroad cars. Nor can applicants utilize labor as efficiently owing to the irregularity of truck arrivals and the necessity for prompt loading to avoid congestion on the wharves.

² Under a wage agreement effective June 5, 1935, all applicants pay 52½¢ per hour for laborers, 62½¢ per hour for tally men, 65¢ per hour for carrier drivers, and \$1.00 per hour for ground hoist and crane drivers. The amount by which wages of clerks and other office employees were increased is not shown.

³ The decreased efficiency is said to be due to the labor available and to restrictions placed on the loads and the manner of handling. Reference is made to the preliminary report prepared by the Commission's engineers and offered in evidence as Exhibit No. 1 in Case No. 4090, in which the matter of terminal labor and its effect upon wharfingers located on San Francisco Bay was discussed at length. This report showed substantial increases in operating costs since the early part of 1935, due to a decrease in labor efficiency.

To compensate for the difference in the cost of handling to motor truck as against open railroad cars applicant proposes two scales of charges, one to apply when handling to open railroad cars and a higher scale to apply when delivery is to motor vehicles. This latter scale will also apply when handling is to a railroad box car.

Statements of revenues and expenses submitted by applicants show substantial operating losses during 1935.⁴ Applicants claim that the proposed rates are reasonable for the services performed and will enable them to earn a return over operating expenses.

There was no protest to the granting of the application.

Upon consideration of all the facts of record we are of the opinion and find that the increased rates have been justified and that the application as amended should be granted.

O R D E R

This matter having been duly heard and submitted,

IT IS HEREBY ORDERED that the above entitled application as amended be and it is hereby granted.

The order shall become effective ten (10) days from the date hereof.

The authorization herein granted shall lapse and become void if not exercised within ninety (90) days from the date hereof,

⁴ Exhibits Nos. 3 and 4, statements of revenues and operating expenses of the Outer Harbor Dock & Wharf Company, show an operating loss during 1935 of \$43,530, or 64 cents per 1000 feet board measure. Exhibit No. 5 shows an operating loss by the Patten-Blinn Lumber Co. in connection with its wharfage, handling, storage and dockage operations of \$51,861, or 61 cents per 1000 feet board measure.

unless further time is granted by subsequent order.

Dated at San Francisco, California, this 23d. day
of March, 1936.

W B Lewis

Leon C. Lewis

W A Lewis

W A Lewis

James R. Lewis
Commissioners.