

ORIGINAL

Decision No. 14726

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of an Investigation on)
the Commission's own motion of the)
reasonableness of the rates, service,) CASE NO. 2040.
rules, regulations and practices of)
the NORTHWESTERN PACIFIC RAILROAD)
COMPANY.)

Stanley Moore, for the Northwestern Pacific
Railroad Company.
Seth Mann and S. A. Everstine, for San
Francisco Chamber of Commerce.
Walter E. Nagle, for Sausalito Chamber of
Commerce.

SHORE and SEAVEY, Commissioners:

OPINION

This is primarily an investigation into the service rendered and the reasonableness of the rates charged for the transportation of automobiles, trucks and other vehicles.

A public hearing was held in this proceeding on October 29, 1924, in San Francisco.

The Northwestern Pacific Railroad Company operates, in connection with its railroad, a ferry system between Sausalito and San Francisco, and Sausalito and Tiburon. It owns its wharves and terminal facilities at Sausalito and Tiburon and leases its San Francisco terminal from the State Harbor Commission. Five boats are used in the service, the fifth being a small boat operating between Sausalito and Tiburon. The distance from the Sausalito

terminal to the San Francisco terminal at the foot of Market Street is approximately six and one-half miles.

The first boat leaves San Francisco at 6:45 a.m., and Sausalito at 6:00 a.m. An hourly service is given, the last boat leaving San Francisco at 1:00 a.m., and Sausalito at 12:20 a.m.

The ferry service of the Northwestern Pacific Company is primarily a passenger service. Prior to the advent of the Golden Gate Ferry Company into the auto ferry business, the local auto traffic was handled by the Northwestern Pacific Company's ferry. Subsequent to that time this Company has carried a very limited number of automobiles. In the meantime the auto traffic has increased to such an extent that congestion occurs at the Golden Gate Ferry during the peak traffic days of the summer. At these times the Northwestern Pacific runs an auxiliary service to take care of some of this heavy traffic. The greater portion of this Company's revenue from vehicular traffic is earned at these times. The Company estimates that an average of only three automobiles per boat are carried.

No valuation was prepared in this case. The Commission's Department of Finance and Accounts reported that no definite segregation of revenue and expense as between vehicular and passenger transportation is made in the Company's accounts. Consequently no satisfactory statement of gain or loss on its vehicular transportation can be made. The accountant of the Commission's Department of Finance and Accounts broadly estimates that the Company lost between \$5,103.68 and \$16,073.33 during 1923 in the transportation of automobiles. This estimate is supported by the Company's testimony, although no detailed statement of profit and loss was submitted by it.

Mr. Palmer, President and General Manager of the Northwestern Pacific Railroad Company, stated that the Company would suffer a loss during 1924 on its entire business, including a proportionate loss on its ferry service.

It appears, however, that without in any way encroaching upon its transportation of passengers and general freight, this Company is able to make provision for the transportation of automobiles, which Mr. Palmer referred to as a merely incidental business, and that considerable revenue is actually derived from such transportation, not only of automobiles but also of passengers carried therein.

This revenue, accordingly, may be considered as substantially in excess of any additional expense incurred therefrom. The revenue derived in 1923 from vehicular transportation, exclusive of revenue from passengers carried in vehicles, amounted to \$64,674.63.

If the Company is to retain this revenue, the rates charged must be comparable with those charged by other ferry companies, especially with those of the Golden Gate Ferry Company, its immediate competitor.

There is now pending before this Commission a proceeding similar to this, in which the rates of the Golden Gate Ferry Company are under investigation. If any reduction is made in the rates charged by the latter company, it is probable that the Northwestern Pacific Railroad Company will desire to voluntarily reduce its ferry rates for automobile transportation accordingly.

After careful investigation of all the evidence in this case, it is our conclusion that no reduction in rates should

be ordered by this Commission at this time, and that this proceeding should be dismissed.

The following form of Order is recommended:

ORDER

A public hearing having been held in the above entitled proceeding, the Commission being apprised of the facts, the matter being under submission and ready for decision,

IT IS HEREBY ORDERED that the above entitled proceeding be, and the same hereby is 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 1st day of April, 1925.

H. B. Brundage
C. Seamy
Carlton Shaw
George D. Thomas
Granville
 Commissioners.