

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of GOLDEN GATE FERRY COMPANY,
(a corporation) and THE GOLDEN GATE
FERRY COMPANY (a corporation) for a
certificate of public convenience and
necessity to operate vessels across the
inland waters of the state between the
City and County of San Francisco and
the City of Berkeley.

Application No. 12661.

ORIGINAL

- Devlin and Brookman and Dudley Sales for the applicant;
- H. C. Booth for the Southern Pacific Company;
- E. J. Sinclair, City Attorney for City of Berkeley;
- John J. O'Foole, City Attorney, and John Daley, Assistant
City Attorney, for City and County of San Francisco.
- C. R. Corbusier, for West Berkeley Commercial Association;
- Charles Keeler for Berkeley Chamber of Commerce;
- W. D. Jones for University Avenue Development Association.
- J. Henry Wolbold for Berkeley Realty Board;
- Fred Hoffman for Ashby Community Club;
- Geo. Gelder for Central Improvement Club and North Road
Improvement Club;
- Ormsby Donogh for Kensington Improvement Club;
- J. A. Reynolds for Telegraph Avenue Commercial Association;
- James S. Greene for National Automobile Club;
- Mrs. J. R. Rice for Business and Professional Womens' Club;
- J. J. Rahill for Berkeley Manufacturing Association;
- Albert M. Hardy for Buena Peralta Improvement Association;
- Geo. W. Gehrhart for Civic League of Improvement Clubs.

DECOTE, COMMISSIONER.

O P I N I O N .

On September 14th, 1925, the Golden Gate Ferry Company
filed its application for a certificate of public convenience
and necessity to operate a public ferry for the transportation
of (1) foot passengers (2) automobiles and their occupants and
(3) trucks and freight between the City and County of San
Francisco and the City of Berkeley. This application was op-
posed by the Key System Company and the Southern Pacific Company.
After a full hearing thereon the commission on the 25th day of
January, 1926, filed its opinion and order denying the application.
(Dec. 15899.) The application was denied on the ground that no

evidence had been produced by the applicant to support its request to carry foot passengers and on the further ground that the field was fully occupied by the operation of the Southern Pacific Company.

The applicant on February 2nd, 1926, filed its petition for a rehearing, which was argued before the commission on banc on February 18th and on March 19th, 1926; the Commission filed its opinion and order denying the rehearing on the ground that no evidence had been produced to show any necessity for additional facilities for the transportation of foot passengers between Berkeley or other East Bay cities and San Francisco.

The opinion and order contained the following paragraph:

"At the close of the argument on the **application** for rehearing, and in answer to a question from the commission, the attorney for the applicant, after consultation with A. O. Stewart, the president of the company, and with his approval, stated that the applicant, under the application now before us, would not accept a certificate of public convenience and necessity for the transportation of automobiles with their occupants and trucks and freight, unless it was also granted the right to carry foot passengers. This attitude, on the part of the applicant has made it impossible for the Commission to grant the rehearing. If the applicant had shown a willingness to amend its application so as to cover automobiles and their occupants and trucks and freight, excluding foot passengers, the Commission would have been inclined to grant the rehearing. However, should the applicant change its attitude and desire a certificate to carry automobiles and their occupants and trucks and freight, excluding foot passengers the way is still open to it to file a new application for such a limited certificate, which application would receive due and careful hearing by this Commission."

For some reason the officers and attorneys for the applicant have apparently changed their minds for they are now seeking what they formerly said they would not accept. On March 22nd, 1926, the Golden Gate Ferry Company, a corporation, filed another application seeking a certificate of public convenience and necessity to operate vessels across the inland waters of the State of California between the City and County of San Francisco and the City

of Berkeley and proposing in the operation of said vessels to limit the traffic transported to vehicles together with the occupants thereof and the freight thereon. On May 10, 1926, a joint application of Golden Gate Ferry Company, a corporation, and The Golden Gate Ferry Company, a corporation, for the same operation, was filed. The application of Golden Gate Ferry Company has been dismissed and this opinion will consider the application of The Golden Gate Ferry Company.

Recognizing the importance of the proposed service to the people of San Francisco and Berkeley and desiring a much more complete and thorough presentation of all the facts than was presented upon the hearing of the former application, the Commission directed Mr. A. G. Mott, Chief of the Transportation Department of the Commission, to make a full and complete investigation and study of the proposed service and an analysis of all the auto traffic crossing the bay.

Upon the hearing Mr. Mott, together with other witnesses, presented a very full and complete study of the auto traffic crossing the bay. Consideration of that portion of the testimony of Mr. Mott showing the inadequacy of the service now being given by the Golden Gate Ferry Company, in its present operations between its Hyde Street terminal and Marin County will be omitted from this opinion as those matters have been fully set forth and considered by the Commission in Decision No. 17030 July 2, 1926.

Many of the leading citizens of both San Francisco and Berkeley appeared before the Commission and testified that the proposed service would be not only a convenience but a necessity to those cities.

The evidence in this case will be considered under three heads, i. e.: (1) service conditions, particularly relating both to the present and future adequacy of the service rendered by the existing carrier and the probable present and future adequacy of

the proposed service, (2) the relation of the transbay service to the general traffic in the communities served, together with the traffic congestion affecting the various routes and (3) the financial considerations both as related to the applicant and other carriers whose operations might be affected by the installation of the proposed service.

Service Conditions.

On December 5th, 1925, the decision of this Commission reducing the rates of the Southern Pacific on transbay auto traffic went into effect. This decision reduced the rates from \$1.05 for each passenger vehicle to 69 cents and from 83 cents for each passenger to 5 cents. This reduction has resulted in an increase of traffic far in excess of that predicted. For instance, the month of May, 1926, shows an increase over the corresponding month of 1925 of 35.4%.

The Southern Pacific Company has steadily met this rise in traffic and has increased the number of boats operating in this service until on peak days during peak hours it has ten boats in operation and gives approximately a seven minute service. This service adequately handles all traffic at present offered. This company has announced its intention to add another slip at the foot of seventh street in Oakland, to improve its facilities at the San Francisco terminal, to commence an additional operation to Alameda Pier, and to enlarge its facilities to meet all future traffic needs. It has at all times improved its service to meet the demands of the traffic and for the purpose of this decision it will be assumed that it would in the future continue so to do.

Relation of Transbay Service.

A study of the San Francisco-Oakland transbay service for the years 1922 to June 1st, 1926, inclusive, has demonstrated that there is a normal increase in traffic of 12% compounded an-

nually. It is estimated that the installation of a new service as proposed will stimulate travel 8%. This will mean that in March, 1927, the increase in traffic will necessitate the use of 14 boats.

Of the population of the East Bay District 81% is in the territory more favorable to the Southern Pacific 7th Street pier, 18.5% is in the territory more favorable to the proposed service and .7% is in the territory more favorable to the Richmond service.

A traffic check of the origin and destination of the transbay Southern Pacific vehicular traffic was made and answers were given by 99.7% of those travelling between the hours of 7:00 A. M. and 7:00 P. M. on the day selected. This constituted 69.3% of the total traffic for 24 hours. The Eastbound traffic, originating in San Francisco, showed that 80.8% originated in territory more favorable in travel time to the terminal of the Southern Pacific ferry at Mission and Embarcadero and 19.2% in territory more favorable to the Hyde Street terminal of the Golden Gate. The Westbound traffic originating in the East Bay district and routes contributory thereto showed that 76.4% originated in territory more favorable to the Southern Pacific Seventh Street Pier and 23.6% in territory more favorable to the proposed Golden Gate pier. A study of the destinations of this Westbound traffic showed 81.2% had a destination in the area more favorable to the Southern Pacific terminal at Mission and Embarcadero and 18.8% had a destination in the area more favorable to the Hyde Street terminal of The Golden Gate Ferry Company. This seems to indicate that about 20% of the present traffic might be expected to patronize the proposed service.

A particular study of the congestion on the routes to the Mission and Embarcadero Terminal of the Southern Pacific Company and the Hyde Street terminal of The Golden Gate Ferry Company indicated that the congestion of traffic, if it can be called congestion, was about the same on both routes. The same situation seems to apply to the Eastbay. The vehicular count showed that on Sundays the vehicular traffic at the intersection of University and San Pablo Avenues was ^{over} 22,000, which is comparable with the Seventh Street Sunday traffic.

It seems apparent from the evidence that if the proposed service is installed it will be only a short time until a grade separation will be necessary on University Avenue in Berkeley, as the traffic to the proposed ferry must cross all main line and switching tracks of the Southern Pacific Company. This will involve the expenditure of approximately \$500,000.00, which must be borne by the City of Berkeley and the carriers.

In considering bay traffic it appears that there is a slightly greater traffic crossing the routes leading to the San Francisco Ferry building near the Southern Pacific terminals than crossing the routes leading to the Golden Gate terminal at Hyde Street and that the congestion is greater in front of the Southern Pacific terminal than the proposed terminal of The Golden Gate Ferry Company.

Financial Considerations.

The Golden Gate Ferry Company proposes to build a pier $3\frac{1}{2}$ miles long from the foot of University Avenue in Berkeley and to operate three boats on a twenty minute schedule between 6:30 A. M. and 7:00 P. M. and thereafter ^{on} a schedule with greater intervals. The traffic survey of Mr. Mott indicates that this proposed service would attract approximately 20% of the week day traffic and 30% of the Sunday traffic. The Company should provide four boats instead of three as proposed.

to accommodate properly this traffic. The probable rate base necessary to provide this four boat operation would be approximately \$2,565,000.00 and the estimated return for 1927 is as follows:

Operating revenue	\$732,000.00
Operating expense	<u>543,000.00</u>
Net operating revenue	\$189,000.00
Deduct taxes	<u>26,000.00</u>
Net income	\$163,000.00

This net income of \$163,000.00 is a return of about 6.4% on a rate base of \$2,565,000.00. It is estimated that five boats will be required in 1928, which would make the probable rate base \$2,992,000.00. This operation would yield a net income of \$193,000.00, which would be a return of 6½% on that rate base.

If the Southern Pacific were permitted to operate alone, the capital outlay for the increased facilities would exceed the capital outlay for an operation by both the Southern Pacific and the Golden Gate by \$240,000.00, but the operation by the Southern Pacific alone would cost \$317,000.00 less per year and be at a cost of 44½¢ a vehicle as against a cost of 48½¢ a vehicle for the operation of both companies. However, the return to the Southern Pacific operating alone would be 12.6% and its return with both companies operating would be 12.3% as its investment naturally would be less.

An examination of the facilities of the Southern Pacific indicates that there are now two slips at Oakland Pier with a possible space for an additional slip and that at San Francisco there are available three slips, Piers 8, 9, and 10, for the Oakland service plus the Richmond service. It would therefore appear that by August, 1927, with no Berkeley service inaugurated, the actual capacity of the Southern Pacific Sunday service in so far as slips are concerned will be exceeded. One slip at Pier 36 already exists that could be used for that service making a total of four slips, giving an available capacity of 16 boats per hour. This it appears will be sufficient for the years 1928 and possibly 1929, assuming no further reduction in fares and a continuance of the same grade of service. Any expansion of terminal facilities on the San Francisco side beyond this point is a matter involving large expenditures and a very substantial rearrangement of facilities along the San Francisco waterfront. The inauguration of a Berkeley service would make possible the addition of approximately one and one-half slips at the Hyde Street terminal of the Golden Gate Company or six boats per hour. Based upon the growth of traffic that has occurred in the last few years, the conclusion seems justified that a total capacity of 20 boats per hour on ordinary heavy days must be provided within the next four or five years.

This traffic capacity could be provided in two ways. The first would be by the inauguration of the proposed Berkeley service plus the augmentation of the Southern Pacific service to its maximum capacity from the Ferry Building, plus the inauguration of an additional service by some one from Pier 36 to Alameda, giving a total traffic capacity of 22 boats per hour. The second method would be by the expansion of the present

Southern Pacific facilities operating from the Ferry Building to their maximum capacity, that is 3 slips or 12 boats per hour, and the provision of an additional service to Alameda with two slips 8 boats per hour, both on the Alameda and San Francisco sides.

From this evidence the commission finds:

1. That within the next four or five years the probable growth of traffic will require the augmentation of present facilities to adequately take care of this continuously growing traffic.

2. The establishment of the proposed Golden Gate-Berkeley service will delay certain investments that the Southern Pacific Company would otherwise have to make at an early date.

3. The inauguration of the proposed Golden Gate - Berkeley service will not seriously impair the ability of the Southern Pacific to earn a substantial return on its investment.

4. The proposed Golden Gate-Berkeley service will be more convenient for about 20% of the traffic.

5. That within the next four or five years the terminals of the Southern Pacific Company will be taxed to their fullest capacity.

6. That the present time is none too soon to commence to prepare to handle the future transbay auto traffic and in order that this future traffic may be accommodated a new carrier should be admitted to the field.

From these conclusions it would seem to the best interests of all the parties and particularly to the best interest of the City of Berkeley and the City and County of San Francisco that the application of The Golden Gate Ferry Company should be granted and a certificate of public convenience and necessity for the

operation of vessels across the inland waters of the State of California, the operation of said vessels to be limited to the transportation of vehicles together with the occupants thereof and the freight thereon. be issued.

It is to be understood, however, that it is not the intention of this commission to grant a certificate that could in any way be construed to include the transportation of **foot** passengers.

O R D E R .

The Golden Gate Ferry Company, a corporation, having applied for permission to operate vessels across the inland waters of the State of California between the City and County of San Francisco and the City of Berkeley, the operation of said vessels to be limited to the transportation of vehicles together with the occupants thereof and the freight thereon, and a public hearing having been held, evidence having been submitted and the Commission being fully advised --

The Railroad Commission of the State of California hereby declares that present and future public convenience and necessity require the operation by The Golden Gate Ferry Company, a corporation, of vessels across the inland waters of the State of California, between the City and County of San Francisco and the City of Berkeley, the operation of said vessels to be limited to the transportation of vehicles together with the occupants thereof and the freight thereon; and

It is hereby ordered that a certificate of public convenience and necessity be and the same hereby is granted, subject to the following conditions:

(1) Said vessels shall not at any time or under any circumstance carry or transport foot passengers.

(2) Applicant shall commence the operation of said vessels within eighteen months from the date of this order.

(3) Applicant shall file with the Commission bi-monthly reports of the progress during the period of construction, such reports to contain such information and data as may be required from time to time by the Commission.

(4) The Commission reserves the right to make such further orders relative to the construction, operation, and maintenance of said vessels as it may hereafter deem right and proper.

The foregoing Opinion and Order are approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

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

DATED at San Francisco, California, this 4th day of July, 1926.

H. B. Brundage

C. A. Jewell

Ernest W. ...

Leon ...

Commissioners.