

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
AYRES-WHITESIDE TRANSPORTATION COMPANY,
a copartnership, for a certificate of
public convenience and necessity to en-
large the present operative rights and
to increase rates.

Application No. 13430.

- W. G. Deal and R. E. Kimball, for applicant.
- W. H. Metson, for California Transportation
Company and California Navigation and
Improvement Company, protestants.
- Gwyn H. Baker, for Bay and River Boat Owners
Association, protestant.
- W. S. Johnson, for Southern Pacific Company,
protestant.
- L. E. Rodebaugh, for San Francisco-Sacramento
Railroad, protestant.

BY THE COMMISSION:

O P I N I O N

This is an application filed by the Ayres-Whiteside Transportation Company, a copartnership operating vessels for the transportation of freight between San Francisco, Oakland, Alameda (Emcinal terminals), West Berkeley, San Rafael and Sausalito on the one hand, and on the other Suisun, Benicia, Crockett and the intermediate points, seeking (a) a certificate of public convenience and necessity under the provisions of Paragraph (d), Section 50 of the Public Utilities Act, to enlarge and extend the present operative rights to include Pittsburg, Antioch and points between, and (b) to establish separate rates for Benicia and Suisun and make certain changes bringing about both increases and reductions in the present rates for the transportation of property as published in

Tariff C.R.C. No. 3, set forth in Exhibit "B" of the application.

The California Transportation Company, Bay and River Boat Owners Association, Southern Pacific Company, and San Francisco-Sacramento Railroad appeared in opposition to the granting of the application in so far as it related to the extension of the present service, upon the grounds that an adequate and efficient transportation service is now being rendered by the established lines serving Pittsburg, Antioch and the points intermediate thereto. There was no opposition to increasing the present rates in effect between the points now served by this applicant.

Public hearings were held before Examiner Geary at San Francisco February 24th and May 11th, and before Examiner Handford at Pittsburg March 27th, 1927, and the application having been duly submitted is now ready for an opinion and order.

The present operations of applicant, granted in Application No. 12577, Decision No. 16337, decided March 30, 1926, cover a service which is primarily devoted to the movement of small consignments of freight between points where ordinary vessels cannot operate, particularly between wharves and vessels in the stream to Shipping Board boats anchored near Benicia and to construction jobs at water points near the Carquinez Straits, where operations must be conducted in shallow waters. This is also true of the service rendered at points adjacent to San Rafael, Sausalito, Suisun, Benicia, Crockett and Port Costa.

The company now owns one vessel of 75 tons carrying capacity, and has under charter another of 175 tons capacity upon which it holds an option to purchase. These two boats are now in operation, and in addition thereto applicant has an option to purchase a larger vessel, of 250 tons carrying capacity.

The present service of applicant has been conducted since April 5, 1926, and during the period extending from that date until the end of the calendar year the Annual Report shows a total of 4,166 tons of freight handled, for which an operating revenue of \$6,844.03 was received. The operating expenses during 1926 amounted to \$12,791.42, resulting in a net operating loss of \$5,947.39. Applicant testified the loss sustained in 1926 was attributable solely to the maintenance of the unremunerative rates established at the commencement of operations, which were experimental because, due to the peculiarities of the service, there was no guide by which the rates could be adequately measured. Applicant also testified that the traffic is increasing and that during the ensuing year it is estimated that between 14,000 and 15,000 tons of freight will be handled, as contrasted with the year 1926 when but 4,166 tons were handled. This increased tonnage under the proposed rates should produce an operating revenue of about \$26,100, with an estimated operating expense of \$23,200, of which amount \$18,000 is for the operation of the boats, \$3,600 for salaries, \$800 for terminal expenses, \$600 for insurance and taxes, and \$200 for supplies, resulting in a net profit of \$2,900.

The proposed extension to include Pittsburg, Antioch and the intermediate points is for the purpose of rendering a service in the nature of that now performed by the established common carriers operating in this territory. It is not proposed to limit the new service to the carrying of small consignments of freight, but tonnage will be solicited regardless of weight or size. The operations will be on a daily schedule except Sunday, leaving Antioch at 3 P.M., Pittsburg 6 P.M., arriving San Francisco about 5 or 6 A.M. the following morning and Oakland about one P.M. the following afternoon. On the

return trip the boats will leave Oakland and San Francisco between 3 and 6 P.M., arriving at Pittsburg and Antioch early the following morning.

It is estimated the capital necessary to inaugurate the proposed Pittsburg-Antioch service will be approximately \$100,000, and W. Q. Wright, A. A. Peters, Ralph Beebee, Charles Ayres and J. A. Whiteside as copartners have agreed collectively and individually to provide not less than the above amount as the needs may arise. It is stated in the application that the first three named own one quarter interest each and the last two named one eighth interest each. In Application 12577, supra, a certificate of public convenience and necessity was granted only to Charles Ayres and John A. Whiteside, copartners operating under the fictitious name of the Ayres-Whiteside Company, hence it would appear that the other three named individuals now shown as copartners have never been authorized by this Commission to operate vessels on the inland waters of the State of California as required by Section 50 (d) of the Public Utilities Act.

Applicant submitted in evidence letters from various shippers and industrial organizations endorsing the services now rendered and expressing the opinion that the additional service from and to Pittsburg and Antioch would be an advantage to these communities. With the exception of witnesses representing shippers of fish and fresh vegetables who testified that it was necessary to have their products in the San Francisco markets at approximately 3 o'clock in the morning in order to secure the best possible prices, the record is devoid of any showing that Pittsburg and Antioch are not now adequately served by the existing rail and water carriers operating from and to those points.

Pittsburg is now served on regular schedules by three

rail carriers, Southern Pacific, Atchison, Topeka and Santa Fe Railway, and San Francisco-Sacramento Railroad, and by two water carriers, California Transportation Company and California Navigation and Improvement Company, also by numerous water carriers and truck lines operating on irregular schedules. Antioch is also served by the above named carriers with the exception of the San Francisco-Sacramento Railroad. The Southern Pacific Company and San Francisco-Sacramento Railroad render an overnight service from Pittsburg to Oakland and San Francisco. Likewise the California Transportation Company and California Navigation and Improvement Company operate on a daily schedule, leaving Pittsburg and Antioch late at night, arriving at San Francisco between 5 and 6 o'clock the next morning, and on the return trip leaving San Francisco at 6 P.M., and arriving at Pittsburg the following morning at about one A.M.

If applicant were to secure a sufficient tonnage from Pittsburg and Antioch to operate successfully, a substantial portion thereof would be taken from the established rail and water carriers now serving those two points.

The California Transportation Company maintains that during the year 1926 the operations of the steamers Leader and Captain Webber, devoted entirely to the territory between San Francisco and Martinez, Pittsburg, Antioch and points on the Mokelumne Old and Middle River, were operated at an actual out-of-pocket loss of \$11,377.46 exclusive of any amount being charged for depreciation or interest on the investment. The freight revenue was \$183,632.13 and passenger revenue \$6,954.65, a total operating revenue of \$190,586.78 against expenses during that same period of \$201,964.24.

The preponderance of evidence submitted in this proceeding shows that Pittsburg and Antioch now have transportation facilities more than adequate to serve the present day

requirements. Under the provisions of paragraph (d) Section 50 of the Public Utilities Act the burden is upon applicant to establish the fact that the proposed service would be in the public interest; it failed to sustain this burden.

After careful consideration of the facts of record we are of the opinion and find that applicant has failed to show that public convenience and necessity require the operation of vessels by it for the transportation of property from and to Pittsburg and Antioch, and that a certificate of public convenience and necessity for this service should be denied. We are of the further opinion and find that applicant should be authorized to establish for the transportation of property the proposed rates between the points now served as set forth on pages 5 and 6 of Exhibit "B".

In order that the Commission may be advised of the results flowing from the new rates, applicant will file within fifteen (15) days after the first of each month for a period of six (6) months a statement for the preceding month setting forth in detail the total revenue received, total operating expenses, and the net operating revenue, segregated in accordance with the Commission's system of accounting.

O R D E R

This application having been duly heard and submitted, full investigation of the matters and things involved having been had, and basing this order on the findings of fact and the conclusions contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicant, Ayres-Whiteside Transportation Company, a copartnership, be and it is hereby authorized to establish on not less than twenty (20) days' notice to the Commission and the public, rates for the transportation

of property between San Francisco, Oakland, Alameda (Encinal terminals), West Berkeley, San Rafael and Sausalito on the one hand, and on the other Suisun, Benicia, Avon, Martinez, Port Costa, Crockett, Rodeo, Richmond and intermediate points as shown on pages 5 and 6 of Exhibit "B" attached to the application.

IT IS HEREBY FURTHER ORDERED that the Ayres-Whiteside Transportation Company, a copartnership, be and it is hereby denied a certificate of public convenience and necessity to operate vessels for the transportation of property from and to Pittsburg, Antioch and the intermediate points.

Dated at San Francisco, California, this 27th day of June, 1927.

Ernest J. ...
H. B. ...
...
Leon ...

Commissioners.