

Decision No. 20318.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
the Mare Island Ferry, a Corporation,
for leave to increase passenger rates
between Mare Island and the City of
Vallejo.

ORIGINAL

Application No. 14892.

tum Suden and tum Suden, by Peter tum
Suden, for Applicant.

Grant McLaughlin and E. M. Stark,
for Mare Island Employees Associa-
tion, Protestants.

Ellis Lando, for Commandant of Mare
Island Navy Yard.

BY THE COMMISSION:

O P I N I O N

In this proceeding Mare Island Ferry requests per-
mission to increase its passenger rate between Mare Island and
the City of Vallejo, Solano County, California, from three (3)
cents to four (4) cents per single fare, to be sold in strips
of twenty-five tickets each.

A public hearing was held in this matter before
Examiner Gannon, on August 15, 1928, at Vallejo.

Mare Island Ferry operates a passenger ferry service
between Mare Island and the City of Vallejo, a distance of
about .3 miles. The Vallejo terminal is located at the foot of
Georgia Street and the terminal at Mare Island is owned by the
United States Government. The steamer "Vallejo" is the only
steamer regularly used in this service.

The principal source of revenue from this operation

comes from the Government employees working on Mare Island and living in the City of Vallejo, Solano County. Applicant has no common carrier competition in this service; however, there is a Government causeway connecting Mare Island and Vallejo which offers a means of travel by private automobile between these points.

By the Commission's Decision No. 12159, dated May 31, 1923, Rodeo-Vallejo Ferry Company, predecessor in interest to applicant herein, was granted authority to establish a fare of five (5) cents per single trip together with a transferable single-trip ticket, unlimited as to time of expiration, to be sold at the rate of three (3) cents each in strips of approximately twenty-five tickets. As a condition of this order, the ferry company was required to credit a specific amount of its earnings each year to its depreciation reserve created to provide a fund to cover the retirement of its operative properties in service between Vallejo and Mare Island.

Applicant contends that the revenue now received from this operation is insufficient to meet operating expenses, depreciation and give an adequate return on the property devoted to public use. Furthermore, on May 15, 1928, a wage increase of approximately ten (10) per cent was granted by the U. S. Arbitration Board to applicant's employees, this increase being retroactive to January 1, 1927.

The results of operation for the year 1927 show a net operating revenue of \$1,377.50 and for the first five months of 1928 there resulted a net operating loss of \$1,024.75. The accumulated loss in operation from April 1, 1923, to July 31, 1928, amounts to \$11,367.19.

On account of the closing of the Government causeway

during the latter part of 1927, a considerable volume of traffic was diverted to the ferry, which is reflected in the operating results of that year.

After a careful study of the record, it appears that some relief should be granted to the applicant, in order that it may earn at least a sum sufficient to cover operating expenses and taxes. Applying the proposed rate, it is anticipated that if the traffic maintains the same average which prevailed during the first five months of 1928, there would be an annual increase in gross revenue of approximately \$7,600. Applying the present rates, it is estimated that the operating loss for the year 1928, based upon the results of the first five months, exclusive of the increase in employees' wages, would be \$2,500. The increased revenue, with the proposed rates, would therefore provide a sum of approximately \$5,100. to take care of the increased operating expenses due to the wage increase, and provide a reasonable return on the value of the property devoted to this service, which the record shows is \$50,176.00.

The only opposition developed to the granting of this application was presented by representatives of the Mare Island Employees Association, who took the position that the present fares are comparable with the service and that applicant may receive an increase in the volume of business in the future, due to a probable increase in employees at the Navy Yard. However, these protestants were unable to show that applicant's figures were unreasonable or inconsistent.

We conclude, therefore, that applicant's request is just and reasonable and should be granted.

O R D E R

Mare Island Ferry, having applied for permission to increase its passenger fares between Vallejo and Mare Island, a public hearing having been held, the matter having been submitted

and being now ready for decision, therefore,

IT IS HEREBY ORDERED that Mare Island Ferry be and it is hereby granted permission to increase its passenger fares between Vallejo and Mare Island on its transferable single-trip tickets, sold in strips of twenty-five, from three (3) cents per ticket to four (4) cents per ticket, provided:

Applicant shall, five (5) days prior to inauguration of the rate herein authorized, post notices on its ferry boat and at its terminals advising the traveling public of the increased rate and file with the Commission tariffs embodying the above fares.

The present five (5) cent single fare shall remain in effect.

For all other purposes, the effective date of this order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 11th day of ^{October}~~September~~, 1928.

Cl. ...

...

...

 Commissioners.