

Decision No. 21702 .

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of
FAHY AND McNULTY, a copartnership,
for Certificate of Public Convenience
and Necessity to operate motor cruisers
and express boats for the transportation
of passenger, mail, freight and express
for compensation, between points upon
the inland waters of the State of
California.

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(Application No. 15672
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Donald McClure, Fred S. Herrington and
George A. Corbett, for Applicant.

Sanborn & Roehl & DeLancey C. Smith, by
H. H. Sanborn, for Crowley Launch and
Tugboat Company, Protestant.

Markell C. Baer, for Oakland Chamber of Commerce.

H. W. Hobbs, for Southern Pacific Company,
Protestant.

BY THE COMMISSION:

O P I N I O N

This application, as amended, requests the Commission to grant to Fahy and McNulty, co-partners, a certificate of public convenience and necessity to operate a speed boat service between a point adjacent to the Ferry Building in San Francisco, and the Oakland Municipal Airport, and to transport passengers and property between those two points.

Public hearings were held by Examiner Gannon, the matter was submitted on briefs, and is now ready for decision.

The Southern Pacific Company withdrew its protest upon being assured that applicant proposed to serve only between San Francisco and Oakland Municipal Airport, and did not propose to serve any other airports in Alameda County.

Attached to the application, and made a part thereof, are exhibits setting forth schedule of rates to be charged, equipment to be used, and maps indicating the route to be followed.

Applicant proposes to operate a fast motor cruiser, or cruisers, carrying passengers between San Francisco and the airport, including their baggage and also transporting packages not to exceed 200 pounds in weight. The plan is to meet each arriving and departing plane. Five round trip schedules daily are proposed with a fare for passengers of \$1.50 one way and \$2.25 round trip, on weekdays, and \$1.25 one way and \$2.00 round trip on Sundays and holidays.

The Oakland Municipal Airport is under the jurisdiction of the Board of Port Commissioners of the City of Oakland. Faster service to and from San Francisco was urged by the Chief Counsel for said Board who testified that there were 66,432 airplane landings at the Oakland port in 1928 and that the number of passengers carried from the airport during that year, including sightseeing trips, aggregated 40,691. An analysis of these figures shows that the average flying day at the airport means the arrival and departure of 181 planes carrying 111 passengers. The compiled records for the first five months of 1929 show a considerable increase over these figures. This witness further testified that his Board had recently constructed an airport channel, from the bay into the airport, and a dock for the landing of boats in the heart of the airport. In addition to the passengers travelling back and forth, and their friends, the testimony of this witness was that from ten to twelve thousand people visited the airport on Sundays and holidays.

The District Passenger Agent for Western Air Express testified that his company transported its passengers by automobile

from its main office in San Francisco directly to the plane at the Oakland port, and that the time consumed on such trip was one hour and ten minutes.

Applicant apparently has made tentative arrangements with one Ernest C. Rowland to manage the business in the event the application is granted. Rowland testified that the proposed service would, for the present, be performed by the fast cruiser "Redwood", a craft 45 feet in length, with a capacity of 80 passengers, equipped with two 200 horsepower Hall-Scott motors, and capable of traveling 28 miles per hour. The schedules are designed to fit in with arriving and departing planes as nearly as possible. It was the testimony of this witness that the cost of operation would be \$19,938 per year, which figure included gas and oil, insurance, interest, depreciation, repairs, and salaries. Based on a one-boat operation the service as proposed would produce a net monthly revenue of \$500., although the witness admitted this was purely speculative. He had made a trial trip with the "Redwood" over the exact route proposed, carrying 33 passengers going and 27 returning, and the trip each way had been made in 32 minutes.

In his judgment they would transport 5 per cent of the people who visited the airport daily, or approximately 100 passengers. However, this witness stated that the proposed operation, being unlike any transportation heretofore established his figures on cost of operation, were more or less guess-work and subject to revision.

The nautical officer of the Oakland Municipal Airport, who is also a consulting navigator, testified that the proposal of the applicant would be safe and feasible from an operating standpoint, so far as it might be affected by navigating conditions on the bay. In his opinion the trip each way would

consume thirty minutes. Forty to fifty per cent of the employees of the airport live in San Francisco and are all desirous of rapid transportation according to witness.

The division traffic manager of the Boeing System testified that it would be an added convenience to his system to have a more rapid transportation service than is at present available. Eighty per cent of their passengers originate at, or are destined to, points on the San Francisco peninsula. The witness further testified that under existing transportation facilities it required practically as much time to travel from the Oakland Airport to San Francisco as from Reno to the airport, the distance between the latter points being 186 miles as against twelve miles from the airport to San Francisco ferry. At present, they pick up their passengers at Fruitvale and deliver them by automobile to the airport. Witness was of the opinion that the proposed fares were too high, but nevertheless his company "would welcome a faster service".

Leon J. Fahy, one of the co-partners making the application herein, testified that the co-partnership was amply able to finance the proposed venture and that public liability insurance would be taken out to cover indemnities in case of accident. He was satisfied that the proposed service could be operated at a profit.

The sole protestant against the granting of the application was Crowley Launch and Tugboat Company. This company, under certificate granted by the Commission, transports persons and property on the inland waters of California, chiefly on San Francisco Bay, serving also points on the Oakland Estuary. Reference to its tariffs shows that it has

filed one-way party fares between San Francisco waterfront and points in Oakland Harbor east of Webster Street bridge, including Alameda estuary points, the rate of fare for parties of 13 to 24 being \$15. one way. The General Superintendent of this company testified that its business was the "transportation of passengers and freight for hire, towage and lighterage". He had made some investigation of the matter and had concluded there would not be sufficient business to justify the investment necessary to build and equip boats for this special service. This conclusion followed a conference with Oakland Municipal Airport authorities at which he was advised that no guarantee of exclusive privileges would be given, and from the airplane companies he had no assurance of exclusive business. Witness testified he had made the trip from San Francisco to Oakland Municipal Airport in his own car, with four other passengers, crossing the bay by ferry boat, and that the time consumed was 45 minutes each way and the fare 85 cents each way for the entire party. He further testified that the one-way fare via ferry, street car and bus between San Francisco ferry and Oakland Airport is 43 cents.

A careful review of the testimony in this proceeding shows, on the part of the applicant, an offer to initiate a transportation service which is unquestionably necessary. The primary purpose of travel by airplane is to save time. In the instant proceeding that portion of the trip between the airport and San Francisco is as much a part of the entire journey as is the portion between the point of origin and the airport. It seems an absurdity to include the present slow service/and to the airport with the balance of the journey,

made probably at an average speed well over 100 miles per hour, and characterize it all as fast service. True, the rates here proposed are higher than those for other existing services, but so are airplane rates as against rail or bus rates.

It would appear, too, that a considerable number of visitors who go to the Oakland airport would avail themselves of the proposed service, particularly on Sundays and holidays, and that it would meet the demands of a large number of persons who would accompany departing passengers or meet those arriving at the airport. In a sense it is a specialized service and being more or less of a pioneering venture it is humanly impossible to say just how many or how few persons will immediately avail themselves of the service. There can, however, be no doubt as to its convenience and necessity.

On the part of the protestant, we find the Crowley company operating more or less an excursion service on the bay, with no equipment suitable for the proposed service. Its position is that it does not choose to render the service itself, and hence undertakes to deny to another carrier service which it cannot itself perform.

We are of the opinion that the record reveals a distinct need for the service here proposed and a certificate authorizing applicant to perform such service will be granted.

ORDER

Public hearings having been held in the above entitled proceeding, the matter having been duly submitted, and the Commission being fully advised,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to

Faby and McNulty to operate a motor boat transportation service as a common carrier of passengers, baggage and express between Oakland municipal airport and a point adjacent to San Francisco Ferry Building, subject to the following conditions:

1. Applicant shall file a written acceptance of the certificate herein granted within a period not to exceed ten days from the date hereof and shall file a tariff, according to the rules of this Commission, setting forth the rates, rules and regulations governing the transportation to be furnished.
2. Applicant shall commence operation within sixty days from the date of this order.

Dated at San Francisco, California, this 24 day of October, 1929.

David L. Smith

Chas. Seaver

Leon A. Whittell

W. J. Carr
Commissioners.