

Decision No. 24420.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 THE CALIFORNIA TRANSPORTATION COMPANY,
 a corporation, SACRAMENTO NAVIGATION
 COMPANY, a corporation, and FAY TRANS-
 PORTATION COMPANY, a co-partnership
 composed of Nahum Fay and Norvin Fay,
 for an order authorizing the unified
 operation of Sacramento and San Joa-
 quin River transportation services.

Application No. 17898.

In the Matter of the Application of
 THE CALIFORNIA TRANSPORTATION COMPANY,
 a corporation, SACRAMENTO NAVIGATION
 COMPANY, a corporation, and FAY TRANS-
 PORTATION COMPANY, a co-partnership
 composed of Nahum Fay and Norvin Fay,
 (a) for leave to file a unified sched-
 ule of freight rates and charges, to-
 gether with a unified terminal tariff;
 (b) for an order under Section 63(a)
 of the Public Utilities Act authoriz-
 ing increases in certain freight rates
 and charges and changes in certain
 rules and regulations relating to ter-
 minal services; (c) for an order under
 Section 15 of the Public Utilities Act
 authorizing the filing and establish-
 ment of such tariffs on less than
 thirty days' notice.

Application No. 17910.

ORIGINAL

Allan P. Matthew, John O. Moran, McCutchen, Olney,
 Mannon & Greene, for the applicants.

Edson Abel, for the California Farm Bureau Feder-
 ation.

F. J. Coulter, in propria persona.

W. G. Stone, for the Sacramento Wholesalers' and
 Manufacturers' Association.

F. Morgan, for the Zellerbach Paper Co. and Crown-
 Willamette Paper Company.

E. R. Higgins, for Rosenberg Bros. & Company.

Joseph L. Fredsham, for Hunt-Hatch Transportation
 Company.

P. F. Wood, for Wood & Seitz.

STEVENOT, Commissioner:

O P I N I O N

By these two proceedings as amended at the hearing the above named applicants seek (1) an order under Section 51(a) of the Public Utilities Act approving an agreement entered into by applicants and authorizing the unification of their operations (Application No. 17892), and (2) authority under Sections 15, 24(a) and 63(a) of the Act to establish rates, rules and regulations for the proposed unified operations, as set forth in amended Exhibits "A" and "E" attached thereto, to become effective upon not less than three days' notice to the Commission and the public and to supersede those now maintained by applicants individually (Application No. 17910).

A public hearing was held at San Francisco January 20, 1932, and the proceedings submitted upon a common record.

Applicants are now engaged in the transportation of freight, by water, between points on the San Francisco, San Pablo and Suisun Bays and points on the Sacramento and San Joaquin Rivers and their tributaries. The California Transportation Company is also engaged in the transportation of passengers.

The agreement which the Commission is asked to approve provides for the operation, as a single unified transportation service, under the name and style of "The River Lines", of the freight and passenger services now severally conducted by applicants. This arrangement is not designed to create a partnership between applicants but is employed "as a convenient designation of the unified operation, and of the administration thereof through the Board of Control . . ." The identity of the participants will be maintained, as will also their individual status as public utilities.

At the present time The California Transportation Company operates freight and passenger service between San Francisco and Sacramento and between San Francisco and Stockton. An additional vessel serves the San Joaquin Delta region. The Sacramento Navigation Company operates a tri-weekly barge service between the San Francisco Bay region and points on the Sacramento River, including points north of Sacramento. The Fay Transportation Company performs a freight service in the same general territory.

The record shows that at the present time the volume of water-borne traffic is not sufficient to utilize to capacity the facilities available. For example, the principal southbound tonnage of the Sacramento Navigation Company consists of grain and rice. For the northbound movement it relies on miscellaneous merchandise. Grain and rice however move seasonally and there is not sufficient tonnage available when these commodities are not moving to take their place.

The proposed unification of operations will eliminate a substantial duplication of service, enable applicants to utilize the equipment in the capacity to which it is best suited, reduce clerical, soliciting, advertising and other expenses, and enable them to confine their terminal operations to one point. At San Francisco, where separate terminals are now maintained by each of the three applicants, all operations will be conducted from Pier 3, the present pier of the California Transportation Company. This pier is well equipped and adequate to take care of the combined business.

The commodity rates proposed for the unified operation are generally those now maintained by the Fay Transportation Company. These rates are in the main lower than those now in

effect via the California Transportation Company and the Sacramento Navigation Company. The proposed class rates approximate those of the California Transportation Company. In the readjustment of the rate structure, however, there will be a few increases brought about by the elimination of rates applicable to extensive commodity groupings and the substitution therefor of specific rates to apply to traffic moving in large volume.

The departures from the long and short haul provisions of Section 24(a) of the Public Utilities Act which the Commission is asked to authorize are confined to movements on commodities and between points on and between which similar authority has previously been obtained. Additional authority is required because of the fact that either the volume of the rates is being changed or they are being made applicable over other lines.

The Sacramento Wholesalers' and Manufacturers' Association urged that the applications be granted as it was the Association's opinion that they were in the public interest. No one appeared in opposition to the granting of these applications.

Upon consideration of all the facts of record I am of the opinion that Application No. 17898 should be granted, subject to the provisions of the order herein. I am also of the opinion that the general readjustment of rates as a whole has been justified in Application No. 17910 and that this application should likewise be granted, subject to the reservation that the granting thereof shall not be construed by applicants as a finding by the Commission that the individual rates have been found to be reasonable. Applicants before accepting the benefits of this order and before filing the rates authorized herein should be required to agree that they will never urge

before this Commission in any reparation proceeding under Section 71 of the Public Utilities Act, or in any other proceeding, that the opinion and order herein has found that any individual rate as authorized is reasonable.

I recommend the following form of order:

O R D E R

These applications 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 preceding this order,

IT IS HEREBY ORDERED that Application No. 17898 of The California Transportation Company, Sacramento Navigation Company and Fay Transportation Company for an order authorizing the unified operation of the services described in the preceding opinion, and Application No. 17910, filed by the same carriers for authority to publish on not less than three (3) days' notice tariffs containing rates, rules and regulations as set forth in Exhibits "A" and "E" to the application and as amended, be and they are hereby granted, subject to the following conditions:

1. The authority herein granted is subject to the express condition that applicants in these proceedings will never urge before this Commission, in any proceeding under Section 71 of the Public Utilities Act, or in any other proceeding, that the opinion or order herein constitutes a finding of fact of reasonableness of any particular rate; and the filing of rates pursuant to the authority herein granted will be construed as consent by the respective applicants to this condition.

2. The authority herein granted will become effective when The California Transportation Company, Sacramento Navigation Company, Fay Transportation Company and The River Lines have filed with the Commission in form satisfactory to the Commission, stipulations duly authorized by their respective Boards of Directors and/or Boards of Control, in which stipulations said California Transportation Company, Sacramento Navigation Company, Fay Transportation Company and The River Lines agree to file with the Commission annual and other reports as may be required by the Commission, and that their accounts and records will be kept in the form prescribed by Decision No. 11260 dated November 23, 1922.

The foregoing opinion and order are hereby adopted as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 25th day of January, 1932.

C. S. Seaman
Leon A. White
W. J. Lewis
W. B. Lewis
Fred G. Peterson
Commissioners.