

# ORIGINAL

Decision No. 4189

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application  
of FARMERS TRANSPORTATION COMPANY }  
SACRAMENTO TRANSPORTATION COMPANY. }  
and SAN FRANCISCO and SACRAMENTO }  
NAVIGATION COMPANY for Approval of }  
Agreement. }

Application 2778.

Sanborn & Roehl for Applicants

G. J. Bradley for Sacramento shippers.

LOVELAND and DEVLIN, Commissioners.

## O P I N I O N

This is a joint application by Farmers' Transportation Company, Sacramento Transportation Company and San Francisco and Sacramento Navigation Company for approval by the Railroad Commission of an agreement entered into by applicants on February 24, 1917, whereby, if authorized, Farmers' Transportation Company and Sacramento Transportation Company will discontinue and withdraw from the service now given by said carriers between the cities of San Francisco and Sacramento, and the San Francisco and Sacramento Navigation Company will simultaneously enter upon and continue said service during the life of the agreement. A copy of the agreement was filed with the application and marked Exhibit A, as was also a printer's proof of the proposed tariff, marked Exhibit B; showing rates and regulations under which the San Francisco and Sacramento Navigation Company will operate.

It is set forth in the application that operating expenses of the Farmers' Transportation Company and the Sacramento

Transportation Company have so increased in recent years as to make rigid economies imperative, and this fact forms the basis of the agreement accompanying the application. Under the plan proposed the San Francisco and Sacramento Navigation Company will establish the lowest scale of rates now in effect by either of the operating companies and no curtailment of service with reference to sailing dates will result; that is to say, a vessel or vessels will sail from San Francisco on Tuesday, Wednesday and Saturday of each week and make all way landings as at present without impairment of service to the public, the sole object of the agreement being an avoidance of duplications and consequent unnecessary expense.

In order to concentrate their facilities and effect the proposed economies, the application recites that certain vessels of each of the operating companies will be leased to the San Francisco and Sacramento Navigation Company, as per the terms of the agreement. The agreement itself provides that each of the lessors shall pay all operating and other expenses incident to the operation of the vessels leased and shall receive as rental the gross earnings of such vessels; also that the agreement shall remain in effect for a period of thirty days after approval by the Railroad Commission, "and thereafter until canceled by five (5) days' notice given by any of the parties hereto to the others."

According to the uncontroverted testimony of witnesses for the applicants, each of the operating companies has, with rare variation, experienced a steadily decreasing revenue since 1912, due in part to shrinkage in cargo, but very largely to increased costs of labor, material and supplies, which costs under the present system of operating, are further increased by duplication of equip-

ment and service. The sworn statements of these witnesses showed, in the case of the Sacramento Transportation Company, that gross revenues covering operations between San Francisco and Sacramento had decreased from \$121,765.40 in 1912 to \$66,828.55 in 1916 and that no dividends had been declared for twelve years; that while the Farmers' Transportation Company did not fare so badly in the matter of gross revenue, its annual expenses, with a single exception (due to abnormal shipments of foreign rice in 1914) were sufficient to bring about an operating deficit.

Although the commercial bodies of San Francisco, Sacramento, Oakland and Stockton were notified of the hearing under this application, only Sacramento was represented, and no protests were registered.

We believe that the purposes sought under this application, as indicated by the terms of the agreement, are worthy and should have the effect of making it possible to continue the service between San Francisco and Sacramento.

No change whatsoever has been requested in the service or rates applicable over the routes of the parties to the application between points on the present route north of the city of Sacramento.

In view of the foregoing facts and statements, it is our opinion that the public service now rendered by Farmers' Transportation Company and Sacramento Transportation Company between the cities of San Francisco and Sacramento will be improved by placing in effect the agreement accompanying the application and marked Exhibit A, and we hereby recommend that the application be granted, subject to the stipulation which is made a part of the order.

The Commission reserves the right to order the termination of the agreement should public convenience and necessity impel such action.

O R D E R

Farmers' Transportation Company, Sacramento Transportation Company and San Francisco and Sacramento Navigation Company having applied to the Railroad Commission for an order authorizing the execution of an agreement affecting the operation of certain steamers and barges belonging to and now being operated by Farmers' Transportation Company and Sacramento Transportation Company, respectively, between the cities of San Francisco and Sacramento, a copy of which agreement is attached to the petition herein and marked Exhibit A, and a public hearing having been held on said application and no one appearing in opposition thereto,

IT IS HEREBY ORDERED that said application be and the same is hereby granted upon the following condition, and not otherwise:

This order shall not become effective until applicants shall have filed with this Commission, subject to its approval, a stipulation, duly authorized by their respective Board of Directors, <sup>applicants</sup> undertaking, on behalf of each of the ~~parties~~, in the event of abrogation of the agreement hereby authorized, by any of the parties or by order of the Railroad Commission hereto, to resume immediately its original service and reinstall its rates to a basis not higher than rates now in effect by the respective operating companies.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 15<sup>th</sup> day of March, 1917.

Max Thelen  
Howard  
W. Gordon  
Francis R. Wilson  
Commissioners.