

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the matter of the application of Richmond and San Rafael Ferry and Transportation Company and the San Quentin Stage Company for authority to increase passenger fares and to discontinue round trip passenger fares.

ORIGINAL

Application No. 4100

Jacobs & Oliver by James M. Oliver, for applicant.

By the Commission.

O P I N I O N

This proceeding is a joint application by Richmond and San Rafael Ferry & Transportation Company, hereinafter called the Ferry Company, and San Quentin Stage Company, hereinafter called the Stage Company, for authority to discontinue all round trip passenger fares applicable locally between Point Richmond and Point San Quentin, and jointly between Point Richmond on the one hand and San Rafael and San Quentin Prison on the other; also to increase by 10% all one way and commutation fares now in effect between the same points. A public hearing on the application was held by Examiner Westover at Richmond on October 14, 1918. No one appeared in opposition to the proposed increases and, after the presentation of testimony by applicants in support of the petition, the matter was submitted.

The Ferry Company owns the steamer Charles Van Damme operating between Point Richmond and Point San Quentin. The Stage Company operates auto passenger buses between Point San Quentin and San Rafael-San Quentin Prison in connection with its other activities but it has no financial interest in

the Ferry Company,

The present and proposed fares appear in the following tables:

LOCAL PASSENGER FARES

Between Pt. Richmond and
Pt. San Quentin

	<u>PRESENT</u>		<u>PROPOSED</u>	
	<u>One Way</u>	<u>Round Trip</u>	<u>One Way</u>	<u>Round Trip</u>
Adults	.15	.25	.17	None
Children	.10	--	.11	--
Monthly Commutation		\$3.00		\$3.30

JOINT PASSENGER FARES

Between Pt. Richmond
and San Rafael

	<u>PRESENT</u>		<u>PROPOSED</u>	
	<u>One Way</u>	<u>Round Trip</u>	<u>One Way</u>	<u>Round Trip</u>
Adults	.30	.50	.33	None
Children	.20	.30	.22	None

Between Pt. Richmond
and San Quentin Prison

	<u>PRESENT</u>		<u>PROPOSED</u>	
	<u>One Way</u>	<u>Round Trip</u>	<u>One Way</u>	<u>Round Trip</u>
Adults	.20	.35	.22	None
Children	.10	.15	.11	None

The Ferry Company is capitalized for \$100,000.00 with an outstanding stock issue of \$91,600.00. The claimed original cost of its property devoted to the service aggregates \$95,317.96.

Exhibits were presented giving in detail an explanation of the revenues and expenditures which form the basis for the increased rates.

Operating revenues and operating expenses for the year ending October 1, 1917, are compared with the year ending October 1, 1918, and show that the revenues increased \$7,210.64 and the expenses \$10,442.66. The principal reason for the increase in operating expenses is the rise in the cost of fuel oil and labor. The Ferry Company's yearly consumption of fuel oil is about 5000 barrels. This commodity has advanced in price from 60 cents per barrel in 1915 to \$1.60 per barrel in May 1918 or 166-2/3%. The labor demands already granted have raised the payroll of steamer employees from \$1105.00 per month on the basis of wages in effect December 1, 1917, to \$1533.99 on September 1, 1918, an additional annual outlay of \$5,147.44. These boat employees are now working under a 12 hour schedule but have presented demands for an 8 hour schedule which, if granted, will add another \$7000.00 to the payroll. The entire operating costs for the first five months of 1918 increased 46% over the corresponding period of 1917.

Following is a summary of the actual passenger revenue October 1, 1917 to October 1, 1918, and the revenue for a like volume of traffic under the proposed fares:

	Revenue at present fares	Revenue at proposed fares	Increases
Local Ferry Ticket sales	\$16,769.85	\$19,835.42	\$3,065.57
Joint Ticket sales	4,287.95	5,060.11	772.16
TOTALS -	\$21,057.80	\$24,895.53	\$3,837.73

It is apparent, however, that this increase in revenue will not actually occur, for the testimony shows that because of the bad condition of highways converging at the Marin County terminal, some of which are now entirely closed to automobile traffic, the revenue will greatly decrease during the coming year as compared with the preceding twelve months. This is illustrated by comparison of the receipts of September and October, 1917 with the same months of 1918. In September, 1917 receipts were \$6,603.45; in 1918 \$4,704.42. In October, 1917 (21 days), the receipts were \$2,968.00; in 1918 (21 days), \$2,496.28, a decrease for this seven weeks' period of \$2,370.75. Relief from this handicap can hardly be expected until conditions brought about by the war have changed. Increasing of passenger fares will result in some relief, but not in the amount shown by this comparative statement, and the net corporate income at the end of the calendar year, by reason of decreased revenues and increased expenses, will no doubt be less than in 1917. The Ferry Company has never declared a dividend, although it did show a profit for the calendar year 1917.

The application of the Stage Company shows that for the first seven months of 1918 on its San Rafael-San Quentin Prison line it lost \$2,847.75, or \$406.82 per month. These figures include depreciation at \$200.00 per month to cover equipment having a claimed approximate value of \$22,000.00 and a bonus of \$50.00 per month paid it by the Ferry Company during the months of April, May, June and July. Since the beginning of the rapid advance in operating costs the Stage Company has been a losing proposition and has remained in the service only because of the monthly allowances from the Ferry Company, the latter being wholly dependent upon the joint service to accommodate its through

passenger traffic. by reason of the distances between the Marin County terminal and the communities served. According to the exhibits and testimony, this applicant cannot further reduce its operating expenses and must have additional revenue if it is to continue in the service.

For the foregoing reasons, we are of the opinion that the application should be granted, with the exception that children's fares will be one-half of the adult fare, thus conforming to the standard rate-making practice.

O R D E R

Richmond and San Rafael Ferry and Transportation Company and the San Quentin Stage Company having jointly applied to this Commission for authority to cancel round trip passenger fares shown in their Joint Passenger Tariff No. 2, C.R.C.No.2, and to increase by 10 per cent one way fares, and the Richmond and San Rafael Ferry and Transportation Company having applied for like authority, and also to increase by 10 per cent its monthly commutation fares shown in its Local Passenger Tariff No. 1, C.R.C.No.1, a public hearing having been held, the matter having been submitted and being now ready for decision.

IT IS HEREBY FOUND AS A FACT that the present passenger fares of the above named applicants are unjust and unreasonable, and that the fares hereinafter set forth are just and reasonable. Basing its order on the above findings and on the findings in the opinion preceding this order.

IT IS HEREBY ORDERED that the Richmond and San Rafael

Ferry and Transportation Company and the San Quentin Stage Company
be and are hereby authorized to publish and file the following
schedule of rates:

BETWEEN POINT RICHMOND and POINT SAN QUENTIN

Adults, one way - - - \$.17
*Children, one way - - - \$.09
Monthly Commutation Tickets - \$ 3.30

BETWEEN POINT RICHMOND and SAN RAFAEL

Adults, one way - - \$.33
*Children, one way - .17

BETWEEN POINT RICHMOND AND SAN QUENTIN PRISON

Adults, one way - - \$.22
*Children, one way - .11

*For children five years and over, but under twelve
years of age, fare will be one-half the fare named for adults,
adding sufficient where necessary to make the fare end in even
cents. Children under five years of age will be carried free
when accompanied by parent or guardian.

Dated at San Francisco, California, this 23d day of
November, 1918.

Edwin O. Edgerton
Arthur H. Howard
Samuel Gordon
James R. Dewley
Commissioners.