

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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THE VALLEJO METAL TRADES COUNCIL,)

Complainant ,)

vs.)

CASE NO.1428

THE SIX MINUTE FERRY CORPORATION OF)
CALIFORNIA)

Defendant.)

C. S. Beardisley and W. G. Luper, for complainant.
W. E. Morrissey, for defendant.

LOVELAND, Commissioner -

O P I N I O N

Complainant alleges that the fare of 2½ cents one way and 5 cents for the round trip for the transportation of passengers between Vallejo and Mare Island via the Six Minute Ferry, Inc., is excessive and exorbitant and should be reduced to 1½ cents per trip, or 3 cents for the round trip. This demand was modified in the final brief by the suggestion that a one way of 2 cents and a round trip fare of 4 cents be established by the Commission.

Defendant in answering the complaint denied that the rate charged was either excessive or exorbitant but on the contrary alleged that it was inadequate and unremunerative and that a fair, just and adequate rate would be 3 cents one way and 6 cents round trip.

Prior to the incorporation of the Six Minute Ferry the service between Vallejo and Mare Island was conducted by an organization known as The Association of Mare Island Employees. The transportation service being partly under Federal control because of the use of government property at Mare Island and by the further fact that the Association operated under contract with the Federal Government, tariffs were not filed with this Commission until early

in 1917 when Local Passenger Tariffs No.1 was published. This tariff carried a round trip fare of 5 cents and an individual monthly commutation fare of \$1.00. It appears from the testimony that originally practically all of the passengers handled by the Association were employed at the Mare Island Navy Yard, they were personally known to the officials operating the boats, and the practice grew up of charging \$1.00 per month with the privilege of as many round trips per day as the holder of the commutation ticket might find necessary. The commuters were therefore permitted to return to Vallejo for lunch and when working over time at night would make other round trips.

Following our entrance into the world war, the tariff was withdrawn because of restrictions imposed and of the control exercised by the Naval Officials at the Mare Island Yards.

At the present time two tickets are sold for 5 cents, one collected when the passenger boards the boat going to Mare Island and the other on the boat before the passenger lands at Vallejo, the effect of the rate being to assess a charge of 2½ cents per trip.

In July 1919 there was completed a causeway between Vallejo and Mare Island which is now in general use by foot passengers and auto buses and it is expected that in the very near future the electric railway will extend its services to the Island. Immediately following the opening of the causeway, large numbers of men used it in going to work in the morning but returned to Vallejo by the boat, paying nothing for the ferry service. This for the reason that prior to January 2, 1920, passengers returning from Mare Island were carried without tickets, it originally being the practice to collect for the transportation on the going trip on the theory that all passengers returning from the Island had paid the tariff charge. It will thus be seen that after the causeway was completed, it was possible to use the boats of the ferry company without making any payment whatsoever. Effective

January 2, 1920, gates were put into use on the boats and ticket collectors employed, making it impossible for those reaching the Island over the causeway to return to Vallejo without paying the established fare. The change, however, resulted in an operating expense for gatekeepers and ticket sellers of more than \$500.00 per month.

Complainant presented the testimony of two witnesses who were of the opinion that the monthly commutation rate should not be in excess of 75 cents. It also introduced a statement estimating the operating revenues and expenses of the company, the figures furnished were based in part upon information received from officials of the Ferry Company and from the observations of different members of complainant's organization. With these estimates it reached the conclusion that the Ferry Company was at this time making very large net profits. The estimates of complainant are very incomplete, purely speculative, and do not represent actual operating expenses, and therefore cannot be relied upon in reaching a conclusion in this proceeding.

Defendant by the testimony of its witnesses and the introduction of exhibits showed that after taking into consideration every element of expense including insurance, taxes, depreciation to vessels, wharves and buildings, there was an actual deficit of \$760.69 for the month of May, 1920. In addition it makes the claim that the sum of \$300.00 per month should be set aside to cover probable losses due to injury to passengers. This would make a total deficit of \$1060.69. The amounts claimed for depreciation appear excessive but if all of this depreciation and casualty insurance were eliminated, the net profits would not be excessive.

The service rendered by defendant is under contract with the Federal Government which imposes certain obligations and restrictions and is of a hazardous nature. It is also confronted with a decrease in business due to competition with the causeway

between Vallejo and Mare Island. In addition to operating the service between Vallejo and Mare Island defendant operates a passenger boat between Morrow Cove near Vallejo and Crockett and there is no exact basis for dividing the overhead expenses as between these two arms of the service. I am convinced, however, that the administration charges against the Vallejo and Mare Island line are not excessive or unreasonable and that the statement of total operating cost for handling the service between the points in question is not greatly out of line.

Defendant entered a counter claim for a 6 cents fare but its testimony no more justifies an increasing of the fare from 5 cents to 6 cents than does the testimony of the complainants justify a reduction in the fare from 5 cents to 4 cents. The present rate has not been proven unreasonable nor does it produce an excess of revenue above that required to meet the costs of operations including a fair allowance for interest on the investment.

The proceeding will be dismissed.

O R D E R

The Vallejo Metal Trades Council having filed its complaint against the Six Minute Ferry, Inc., and a hearing having been held, and being fully apprised in the premises,

IT IS HEREBY ORDERED that the said complaint be and the same is hereby dismissed.

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 27th day of August, 1920.

Edwin J. Edgerton
H. D. Loveland

J. B. Boudreau