

ORIGINAL

Decision No. 8219

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
Bay Cities Transportation Company)
for authority to increase rates for)
the transportation of freight between) APPLICATION NO.6117
the cities of San Francisco and)
Oakland.)

Sanborn & Roehl, by H.H.Sanborn, for applicant.

LOVELAND, Commissioner -

O P I N I O N

Bay Cities Transportation Company, a common carrier of freight between the cities of San Francisco and Oakland, applies for an order authorizing an increase in freight rates to an average of 25% above its existing schedule.

The application is based upon the increased cost of labor, fuel, repairs and other expenses connected with the operation of the class of vessels here involved. Exhibits submitted with the application show the principal items of increased operating cost as follows:

<u>LABOR</u>	<u>1918</u>	<u>1920</u>
Truckmen, per day	- \$4.00	\$6.00
Operators, per mo.	- 125.00	190.00
Clerks & Checkers, per week	- 30.00	39.00
<u>FUEL</u> per gallon	- .10	.27
Repairs on equipment	- - - 50% increase	

Applicant employs 30 truckmen, 2 launch operators, 10 clerks and checkers, and uses an average of 3000 gallons of fuel per

month. These items alone have added to applicant's operating cost more than \$2000.00 per month within the two years its existing rate schedules have been in effect. Following are the totals shown in the statement submitted by applicant covering the operation of its vessels for the year ending July 31, 1920:

Gross Revenue	--	\$75,716.61
Gross Expenses	--	<u>79,151.44</u>
Net Loss	-- --	<u>\$ 3,434.83</u>

The statement takes no account of depreciation of equipment nor interest on the value thereof, rated by applicant at \$47,500.00.

At the hearing, which was held in San Francisco on October 4, 1920, no one appeared in opposition to the proposed rates, supporting testimony and exhibits being offered unchallenged. Applicant's General Manager testified that in an effort to reduce current expenses to the lowest minimum, all employees who could possibly be spared had been laid off. In spite of this action, however, during the month of August, 1920, applicant experienced a loss of approximately \$1400.00. From all the facts developed in this proceeding, it would appear unjust and unreasonable to expect applicant to continue to absorb increased operating costs which its existing rates were not intended to cover. No doubt applicant's patrons would prefer to pay the proposed rates than face the alternative of a possible discontinuance of the service due to inadequacy of revenue.

I am of the opinion that the proposed rates have been justified and should be authorized. It being impossible, however, to foresee the net result of the increases authorized in the accompanying order, Bay Cities Transportation Company will be required to keep for a period of six months beginning November 1, 1920, methodical and comprehensive records of its revenues and expenses, and at the end of such period furnish to the Commission a full report covering operations under the new

rates. If justified by this report, the matter may again be taken up by the Commission.

I suggest the following form of order:

O R D E R

Bay Cities Transportation Company having applied to this Commission for authority to increase freight rates applicable via its vessels between San Francisco and Oakland, a hearing having been held thereon, the matter having been submitted, and it appearing to the Commission that the rates proposed have been justified and should be authorized,

IT IS HEREBY ORDERED that Bay Cities Transportation Company be and the same is hereby authorized to publish, file and thereafter collect rates for the transportation of freight between the cities of San Francisco and Oakland in accordance with the schedule of proposed rates filed with the application and designated Exhibit No.6.

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 11th day of October, 1920.

Edwin G. Edgerton
H. D. Loveland

H. H. Brundage
Dorothy Martin
COMMISSIONERS.

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