

Decision No. 8525-

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
BERKELEY TRANSPORTATION COMPANY for
authority to increase freight rates.

} Application No. 6318.

J. M. Atthowe, for Applicant.

BY THE COMMISSION.

O P I N I O N

Berkeley Transportation Company, a common carrier of freight between San Francisco and Berkeley, applies for authority to increase rates as set forth in Exhibit "B" attached to the application, proposed increases being in most instances 20% higher than existing rates. The request is accompanied by supporting data and information to which further reference appears hereinafter.

A hearing on the application was held at San Francisco before Examiner Geary on December 6, 1920, no one appearing in opposition to the proposed increases.

Applicant's equipment consists of two lighters, one tug-boat, one hoist, office furniture and fixtures, trucks, ropes, tarpaulins and miscellaneous materials and supplies, the whole of which has an estimated value of \$18,000. This equipment is used exclusively in the San Francisco-Berkeley service, except that the tug-boat is employed under State contract about nine hours per week, - or approximately 6% of its entire time of 144 hours per week, - in hauling prison supplies from San Francisco to San Quentin. All expenses incurred on the San Francisco-San Quentin run have been carefully segregated by applicant and form no part of the expenses

shown in operating statements filed in support of the petition.

Applicant's existing rates and regulations are covered by Local Freight Tariff No. 2, C.R.C 2, effective November 1, 1918, since which time carrier's operating expenses have increased to the point of not only absorbing annually its entire revenue but also leaving each year a material deficit. This statement is confirmed by the figures shown in the following table of comparisons covering operations for the years 1918, 1919 and the first nine months of 1920:

	<u>1918</u>	<u>1919</u>	<u>1920</u> <u>1st 9.Mos.</u>
Revenues,	\$33,386.30	\$34,497.07	\$37,840.16
Expenses,	<u>33,833.18</u>	<u>34,750.12</u>	<u>41,408.71</u>
Losses,	\$ 446.88	\$ 253.05	\$ 3,568.55

In addition to the comparatively small losses resulting for 1918 and 1919, the foregoing figures, - which were vouched for by applicant's manager, - further show that, while the total revenue for the first nine months of 1920 exceeds by more than \$4000. that for the entire year 1918, operating expenses for the same period increased over \$7000. Should the same monthly averages be sustained for the remainder of the year, applicant's losses for 1920 will rise to \$4758. By reason of maturing premiums on insurance policies and other obligations due subsequent to September, it is the opinion of applicant's manager that the last three months of 1920 will show considerably greater losses per month than the first nine months.

The application is based upon the showing carried in operating statements set forth herein, with particular reference to the high cost of labor, which has advanced 40% since 1918; to wharf rentals which are 33-1/3% higher; to fuel and lubricants, 100% higher; and to increased miscellaneous expenses, - none of which show tendencies towards a lower level.

Applicant has practically no direct competition between San Francisco and Berkeley. Bay Cities Transportation Company maintains a similar service between San Francisco and Oakland competing indirectly with applicant, but the rates of the former are already higher in most instances than rates requested by Berkeley Transportation Company. Many of applicant's patrons are therefore paying for similar service rates in excess of the schedule proposed in the petition. Furthermore, the testimony indicated that interested shippers are not opposed to the increases requested.

No estimates were prepared by applicant showing the probable additional revenue which would be returned under the proposed rates, but it is evident that the increases sought, if authorized, will be largely absorbed in taking up the increased operating expenses, which will carry over into the new year.

We are of the opinion that the proposed rates have been justified and should be authorized. As a safeguard, however, six months after placing in effect the new schedule as authorized in the appended order, Berkeley Transportation Company will be required to file with the Commission a full report showing in detail the effect of the increases upon the company's operations, at which time, if deemed necessary, the Commission will take further action in the premises.

ORDER

Berkeley Transportation Company having applied for authority to increase freight rates, a hearing having been held thereon, the matter having been submitted, and the Commission being of the opinion that the application should be granted,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Berkeley Transportation Company be and the same is hereby authorized to publish and file within 30 days

from date hereof tariffs showing increased rates for the transportation of freight between San Francisco and Berkeley, as set out in Exhibit "B" accompanying the application.

Dated at San Francisco, California, this 7th day of January, 1921.

H. S. Loveland
Frank H. Miller
H. K. Brundige

Commissioners.