

Decision No. 8878

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Investigation)
of the Services of the Pacific)
Steamship Company.)

CASE NO. 1424.

E. S. Rigdon, for various shippers at San Simeon,
Cayucos and Cambria.

McCutcheon, Willard, Mannon & Greene, by Allan P. Matthew,
for Pacific Steamship Company.

BY THE COMMISSION:

O P I N I O N

This proceeding was initiated under the provisions of Section 60 of the Public Utilities Act, the purpose being to ascertain the facts relative to curtailment and discontinuance of the transportation service by the Pacific Steamship Company at the ports of San Simeon and Cayucos in San Luis Obispo County.

A hearing was held by Examiner Geary in San Francisco on April 23, 1920. The testimony showed that defendant's light draught vessel, the HOMER, formerly operated on the so-called Narrow Gauge Route, giving local service between San Francisco and points south to Santa Barbara, had been withdrawn and sold, being replaced by the steel vessel ADMIRAL NICHOLSON, of a smaller tonnage capacity, but deeper draught and less adapted to shallow

ports. This resulted in complete discontinuance of service to Cayucos and a reduction of calls at San Simeon from about fifty a year to twelve. While such abridgement of service appears to have been due in part to lack of safety for vessels of the Admiral Nicholson type in making unprotected shallow ports, doubtless the more important consideration was the small tonnage available at San Simeon and Cayucos. As to the matter of danger, the testimony showed there had not been a single disaster to shipping at either port within the last forty years. The light tonnage handled is graphically shown by the following statement, representing the first eight months of the year 1919, the figures being taken from carrier's Exhibit No. 1. submitted at the hearing:

	<u>San Simeon</u>		<u>Cayucos</u>	
	<u>Outbound</u>	<u>Inbound</u>	<u>Outbound</u>	<u>Inbound</u>
Total Tonnage -	351.0	486.6	404.6	407.7
Average per month	43.8	60.8	50.6	50.9

To explain further the attitude of defendant in desiring to withdraw from an unremunerative service, attention was directed to this Commission's Decision No. 6796, dated October 27, 1919, Application No. 4987, in which it was pointed out that the gross earning of the Steamship Homer for the first seven months of 1919 amounted to \$62,406.21, as against a direct operating expense of \$82,562.61, revealing a net loss of \$20,156.40. This result takes no account of overhead expense, estimated at approximately \$9,000.00 for the same period.

From the above showing, both as to tonnage at ports involved and as to earnings and expenses on the route as a whole concerning which the supporting testimony was not controverted,

there would appear to be substantial grounds for a reduction in the service.

Having in mind all the circumstances surrounding this service, the Commission suggested that the defendants and protestants confer on the feasibility of a compromise, whereby the Pacific Steamship Company will undertake to afford to the safer of the two ports, which are no great distance apart, a maximum of service consistent with the tonnage available.

Protestants indicated that as to San Simeon two port calls a month would probably be sufficient to take care of the tonnage offered, and the company agreed to give this service if a minimum of 50 tons of freight could be guaranteed. At Cayucos there has been no service since October 1919, the company claiming it would be hazardous and impracticable to undertake to resume this service with its present steamer, to say nothing of the increase to its operating deficit.

In consideration of the foregoing statements it is the conclusion of the Commission that the evidence as to amount of tonnage offered and cost of operating the service does not justify an order at this time requiring any increase in the service above that agreed upon by the parties.

O R D E R

The Commission having, on its own motion, instituted an investigation into the action of Pacific Steamship Company in the matter of curtailing and discontinuing service at the ports of San Simeon and Cayucoc, San Luis Obispo County, a hearing having been held thereon, and satisfactory agreements and understandings having been reached on the matters involved.

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

Dated at San Francisco, California, this 21st day of

January, 1921.

Frank R. Doherty
W. B. Brundage
James Martin
Commissioners.