

Decision No. 9405

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

TOWN OF SAUSALITO, a Municipal
Corporation,
Complainant,

vs.

NORTHWESTERN PACIFIC RAILROAD
COMPANY, A Corporation,
Defendant.

ORIGINAL

CASE NO. 1497

Chas. W. Byrnes, for Complainant,
Stanley Moore, for Defendant.

LOVELAND, Commissioner -

O P I N I O N

The complaint in this case was filed pursuant to a resolution introduced in and adopted by the Board of Trustees of the Town of Sausalito directing the filing thereof by the Town Attorney of said Town of Sausalito.

Complainant attacks certain fares of the Northwestern Pacific Railroad Company as excessive, unreasonable, not uniform ^{as} and/discriminatory against the citizens of said Town of Sausalito.

Complainant attacks in like manner and upon the same grounds the one way charge for the transportation of automobiles on ferry boats of defendant between San Francisco and Sausalito, and prays that the rates of said defendant be investigated and that a reasonable, just system of rates be prescribed.

That we may arrive at a logical solution of the matter presented, a brief summary of the steps leading up to and including the final increase of fares granted common carriers beginning with the war period is imperative.

At the time the federal government assumed control of the great majority of railroads in the United States on December 29,

1917, the passenger rates primarily involved in the case in question and which had been in effect for many years were as follows:

Between	Without Baggage Checking: Privilege		With Baggage Checking Privilege	
	One way	Round Trip	One way	Round Trip
San Francisco and Sausalito	None	None	15	25
San Rafael	"	"	35	50
Between Sausalito and Pine	None	None	05	
San Rafael	"	"	25	40

No increase in any of the above quoted rates was made until some time after the promulgation of General Order No.28 of the Director General, United States Railroad Administration, dated May 25, 1918, which provided that all one-way fares of less than three cents per mile be increased to three cents per mile and abolished all round trip fares with the single exception of those then in effect between San Francisco and San Rafael, San Francisco and several trans-bay points other than San Rafael and certain other trans-bay points, all in the Northwestern Pacific Railroad Company's territory, and left in effect without being increased the then published round trip fares between San Francisco and San Rafael.

Pursuant to the provisions of General Order No.28, the Northwestern Pacific Railroad Company on June 10, 1918, increased the then effective rates in the case in question accordingly, omitting from its tariff all round trip fares except those heretofore referred to. The company, moreover, added to its

tariffs certain new rates applicable only to transportation without the usual baggage checking privilege. These changes resulted in the following fares:

	Without Baggage Checking Privilege		With Baggage Checking Privilege	
	One Way	Round Trip	One way	
Between San Francisco and Sausalito	15	25	20	
San Rafael	35	50	55	
Between Sausalito and Pine			10	
San Rafael		* 50	35	

* San Francisco rate.

The action of the federal authorities in permitting the continuance of the one way fare of 35 cents and the round trip of 50 cents between San Francisco and San Rafael, but restricting it to apply without the baggage checking privilege, in lieu of 55 cents one way fare with the baggage privilege and no round trip fares, which otherwise under the general rule would have applied on the three cents per mile basis was a fortunate adjustment for the Marin County people .

The Railroad Administration's decision to continue in effect the low round trip fare between San Francisco and San Rafael without making any increase therein resulted, moreover, in a correspondingly low round trip fare for Sausalito, Sausalito being an intermediate point naturally deriving the benefit of the San Francisco-San Rafael round trip fare. The round trip distance between Sausalito and San Rafael is twenty one miles. If the regular three cents per mile basis had been used in computing the fare, such round trip fare between Sausalito and San Rafael would considerably exceed the San Francisco-San Rafael fare.

The fares next above set forth remained in effect until August 26, 1920, when the Railroad Commission of the State of California granted a 20% increase on all intrastate passenger fares in line with Ex Parte Order No.74 of the Interstate Commerce Commission, dated August 25, 1920, increasing interstate passenger fares 20%. This resulted in the fares shown below:

	Without Baggage Checking: Privilege		With Baggage Checking Privilege	
	One way	Round Trip	One Way	
Between San Francisco and Sausalito	18	30	24	
San Rafael	42	60	66	
Between Sausalito and Pine			12	
San Rafael		60	42	

It will be observed that prior to and under federal control the one way fare between San Francisco and Sausalito was 15 cents, and that in compliance with the provisions of the Esch-Cummins Act, commonly known as the Transportation Act, and pursuant to the permission granted by the Railroad Commission of the State of California the 15¢ fare was increased 20%, or to 18 cents. Previous to federal control the fare between Sausalito and Pine was 5 cents. General Order No.28 established a minimum of 10 cents on interurban fares in the territory concerned in the complaint. Subsequently, with the 20% increase, this 10 cent fare became 12 cents. Since the filing of the complaint the 12 cent fare has been reduced, however, to 10 cents between most of the interurban points where 12 cents was applicable.

As contradistinguished from other fares which, by reason of General Order No.28 and this Commission's 20% increase granted, were twice advanced in the manner provided therefor, the round

trip passenger fares between San Francisco and Sausalito on the one hand and San Rafael on the other were increased but once, the round trip fares in the case in question together with a limited few others in the trans-bay territory of the Northwestern Pacific Railroad Company as heretofore stated, the evidence developed, being the only round trip fares left in effect at the time General Order No.28 abolished round trip fares throughout the United States.

Defendant introduced in evidence various exhibits showing comparative mileages and fares on railroads within California and those operating out of New York, Boston, Chicago and Philadelphia, all of which provide rates higher per mile than those in effect on the Northwestern Pacific Railroad Company between the points in question.

The complaint attacked the present one way rate of \$1.18 for the carrying of an automobile on defendant's ferry boats between San Francisco and Sausalito, but no evidence was presented to sustain the allegation of unreasonableness or otherwise.

Defendant's exhibit set forth below shows comparative mileages and charges for the transportation of automobiles between various points in California.

AUTO FERRY LINES ON SAN FRANCISCO BAY TOGETHER WITH RATES, DISTANCES AND RATE PER MILE.

Between	: MILES	: AUTO CHARGES	: RATES IN CENTS PER MILE
San Francisco and Sausalito	: 6.5	: \$1.18	: .1815
San Francisco and Oakland	: 6.35	: 1.18	: .1858
Richmond and San Quentin	: 4.	: .75	: .1875
Rodeo and Vallejo	: 3.5	: .75	: .2142
Martinez and Benicia	: 1.75	: .94	: .5377
Crockett and Vallejo	: .75	: .75	: 1.00

The foregoing schedule of comparative distances and charges for the transportation of automobiles on defendant's ferry boats does not show any discrimination or unreasonableness in the San Francisco-Sausalito rate as compared to rates assessed for other relatively similar distances.

Defendant's statement of its corporate income account for the years ending December 31, 1916, and 1920, submitted in evidence as part of complainant's Exhibit No. 1 and set forth next below, brings to light the fact that defendant is now operating at a distinct loss.

DEFENDANT'S STATEMENT OF
CORPORATE INCOME ACCOUNT

<u>ITEM</u>	<u>1916</u>	:	<u>1920</u>
Net income operating and non-operating income before deduction for fixed and other charges.	\$1,585,003.42	:	\$1,367,204.76
Total deductions (interest on funded debt, hire of equipment, Dr., joint facility and miscellaneous rents, etc.)	1,396,329.30	:	1,579,624.33
Net Income, 1916	\$ 188,674.12	:	
Net Loss, 1920		:	212,419.57
Sinking fund requirements	41,810.42	:	14,173.75
Balance to credit of profit and loss, 1916	146,863.70	:	
Balance to debit of profit and loss, 1920 (10 months)		:	226,593.32

As the foregoing statement covered only ten months of the year 1920, and shows a net loss of more than two hundred thousand dollars sustained by the company in that time, it would seem logical that in twelve months there would have been a loss to the company of a quarter of a million dollars.

Defendant's statement of revenue for the year ending December 31, 1920, which is likewise a part of the exhibit next above referred to, shows the passenger revenue, interurban, including

revenue for passengers between San Francisco, Sausalito, Belvedere and Tiburon, plus the water transfers of vehicles and live stock to amount ^{to} 15.39% of the total gross operating revenue of defendant.

While it is possible that defendant's passenger fares in general may require a revision at a future date, the particular fares now drawn in question are not in and of themselves unfair.

After having given consideration to all the facts, exhibits and arguments, I am of the opinion that the complaint should be dismissed without prejudice.

O R D E R

Complaint having been made by the Town of Sausalito against certain passenger fares and an automobile rate now in effect on the line of the Northwestern Pacific Railroad Company, a public hearing having been held, testimony taken and an investigation made, the Commission being fully apprised in the premises and of the opinion that the fares and rates in question are ^{uniform and are} not excessive, unreasonable, ~~not excessive~~ or discriminatory against the citizens of said Town of Sausalito, and basing its conclusion on the findings of fact contained in the opinion preceding this order;

IT IS HEREBY ORDERED that the complaint be, and the same is hereby dismissed without prejudice.

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 7th day of August, 1921.

H. B. Rendie
H. B. Rendie
Quincy Watson
Quincy Watson
H. B. Rendie
H. B. Rendie
COMMISSIONERS.