

28708

Decision No. 20321.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
the McCORMICK STEAMSHIP COMPANY for
certificate of public convenience and
necessity to operate vessels for the
transportation of freight for compen-
sation between points upon the high
seas of the State of California.

ORIGINAL

Application No. 20321.

J. E. Stein, for applicant.

H. H. McElroy, for Southern Pacific Company,
protestant.

H. H. McElroy and G. E. Duffy, for The Atchison,
Topeka and Santa Fe Railway Company, protestant.

Reginald L. Vaughan, for Los Angeles-San Francisco
Navigation Company, Ltd., protestant.

BY THE COMMISSION:

O P I N I O N

By application filed December 21, 1935, McCormick Steamship Company seeks a certificate of public convenience and necessity authorizing the operation of vessels for the transportation of freight for compensation between San Francisco, Oakland, Wilmington and San Diego on the one hand and Santa Barbara on the other. The rates proposed to be charged are set forth in Exhibit "A" attached to the application.

A public hearing was had before Examiner E. S. Williams at San Francisco March 11, 1936.

Applicant now operates vessels between North Pacific Coast

ports and Santa Barbara, San Francisco, Los Angeles Harbor and San Diego for the transportation of property moving in interstate commerce. It desires to handle intrastate business in these vessels. It proposes to operate on a schedule of approximately one boat every three weeks and to charge the same rates as are now maintained by the Los Angeles-San Francisco Navigation Company, Ltd. an intrastate carrier now serving Santa Barbara.

In support of the application it contends that existing service by vessel between the points involved is inadequate, that there is a public need for the service it proposes to render, and that this need can be satisfied at but little additional expense if it is authorized to transport intrastate shipments to and from Santa Barbara in connection with the present interstate service.

H. W. House, President of the Stearns Wharf Company at Santa Barbara, whose wharfing facilities applicant proposes to use, testified that the present service of the Los Angeles-San Francisco Navigation Company, Ltd., is confined to an "on call" service which is furnished only when a total of 75 tons or more of freight is offered for delivery at this port. Such service he contends is unsatisfactory as it is difficult to accumulate sufficient tonnage at one time to insure regular calls. The result he asserts has been to deprive the port of Santa Barbara of intrastate water service except at infrequent intervals. He testified that during November 1935 the Los Angeles-San Francisco Navigation Company, Ltd. made but two calls, in December 1935 but one, and none in January and February, 1936.

No shipper witnesses appeared in support of the application.

The granting of the application was protested by the Los Angeles-San Francisco Navigation Company, Ltd., The Atchison, Topeka

and Santa Fe Railway Company and Southern Pacific Company.

Witness for protestant Los Angeles-San Francisco Navigation Company, Ltd., testified that for some years prior to October 1935 it had rendered a regular service to and from Santa Barbara approximately twice weekly irrespective of the amount of tonnage offered,¹ but that owing to substantially increased operating costs and to a falling off of tonnage, it was forced to establish an "on call" service subject to the requirement that 75 tons or more be available for delivery at this port; that on December 17, 1935, a seamen's strike was declared lasting until February 8, 1936, during which time it was prevented entirely from performing service; and that following the termination of the strike it required some time to develop sufficient tonnage to meet the required minimum. The first call following the strike was in the early part of March, 1936.

There is in this record no evidence that public convenience and necessity require the service proposed by applicant. Certificates are not granted merely to meet the desire of an operator (Decision No. 20215 of November 2, 1935, in re Application of Chas. D. Crandall et al.) On the showing made the application must be denied.

¹ That regular service was performed by this protestant to and from Santa Barbara prior to October 1935 is borne out by Exhibit No. 1, showing an average of 8 calls per month to Santa Barbara during the period January to September 1935 inclusive, and by Exhibit No. 2 setting forth the tonnage and revenue from 1930 to 1935 inclusive, all of which years except 1934 (during three months of which no service was performed due to a strike) show a greater tonnage and revenue than in 1935.

O R D E R

This matter having been duly heard and submitted,
IT IS HEREBY ORDERED that the above entitled application
be and it is hereby denied.

Dated at San Francisco, California, this 16th day
of April, 1936.

M. Blais
Leon C. W. [unclear]
W. J. [unclear]
W. [unclear]
W. [unclear]
Commissioners.