

Decision No. 28969

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
BAY CITIES TRANSPORTATION COMPANY
for authority to operate vessels on
the inland waters of the State of
California, as a common carrier of
property, for hire between San Fran-
cisco, Oakland and Alameda on the
one hand and Yerba Buena Island and
Golden Gate International Exposition
Site on the other hand.

Application No. 21181

ORIGINAL

BY THE COMMISSION:

O P I N I O N

By this application Bay Cities Transportation Company, a corporation engaged in the transportation of property as a common carrier by vessel between Oakland and Alameda on the one hand and San Francisco on the other hand, seeks a certificate of public convenience and necessity authorizing it to enlarge the scope of its operations to include service between Yerba Buena Island and Golden Gate International Exposition Site on the one hand and San Francisco, Oakland and Alameda on the other hand.

A public hearing was had at San Francisco before Examiner W. S. Johnson on June 21, 1937.

Applicant alleges that the construction of roads, buildings and improvements now being made at the Exposition site require the movement of large quantities of material from the mainland. It anticipates a future movement of furniture, exhibits, equipment and supplies for the Exposition itself. This property, asserts applicant, can be most economically handled by water.

Cyril R. Meek, traffic manager of applicant corporation, testified that applicant has been rendering a scheduled service from and to the Exposition site, transporting property for the account of McDonald & Kahn, McClintock Construction Company, and others, in the belief that such service was included in operative rights already possessed. He pointed out, however, that in Decision No. 29778 of May 24, 1937, in Case No. 3824, the Commission excluded transportation to the Exposition site in defining applicant's operative rights.

Witness Meek also stated that in construction work it is necessary to accommodate large lot deliveries. He asserted that applicant is equipped to transport property from and to the points here involved in quantity lots up to 100 tons.

C. J. Miner, engineer for McClintock Construction Company, testified that his firm is now engaged in the construction of three projects on the Exposition site and that bids have been submitted on other building projects there. In connection with these contracts McClintock Construction Company is now and until 1939 will be shipping all types of building and construction materials, machinery and equipment. A. H. Van Slyke, traffic manager of Yosemite-Portland Cement Company, testified that his company is now shipping and in the future expects to ship to the Exposition site a considerable quantity of cement. Both witnesses expressed satisfaction with the services and facilities of applicant and declared them to be necessary for the future.

The rates which applicant proposes to charge are those now in effect between San Francisco and Oakland filed with this Commission in Bay Cities Transportation Company Local Freight Tariff No. 8, C.R.C. No. 8; Local Joint Freight Tariff No. 10, C.R.C. No. 10; and Local Freight Tariff No. 11, C.R.C. No. 11.

No one opposed the granting of the application.

While the record is persuasive that public convenience and necessity will be served by authorizing applicant to extend its service to Golden Gate International Exposition Site on the one hand and San Francisco and Oakland on the other hand, there appears to be no demand for applicant's proposed transportation service to and from Yerba Buena Island proper. Insofar as the application seeks authority to serve the Exposition site it will be granted. In all other respects it will be denied.

Bay Cities Transportation Company is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited in the number of rights which may be given.

O R D E R

This matter having been duly heard and submitted,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Bay Cities Transportation Company of a common carrier service for the transportation of property by vessel between Yerba Buena Island and Golden Gate International Exposition Site on the one hand and San Francisco, Oakland and Alameda on the other hand.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity authorizing said operation be and it is hereby

granted to Bay Cities Transportation Company, subject to the following conditions:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.
2. Applicant shall file and make effective within a period of not to exceed thirty (30) days from the effective date of this order and not less than five (5) days notice to the Commission and to the public, a tariff or tariffs constructed in accordance with the requirements of the Commission and containing rates and rules which in volume and effect shall be identical with those set forth in the application.
3. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been obtained.

IT IS HEREBY FURTHER ORDERED that in all other respects Application No. 21181 be and it is hereby denied.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 27th day of

July, 1937.

Walter J. ...
George R. ...
Raymond ...

Commissioners.