

ORIGINAL

Decision No. 23225

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of KEY SYSTEM, )  
a corporation, for a Certificate of Public Con- ) Supplemental  
venience and Necessity to Operate Motor Coach ) Appl. No. 21789  
Service. )

In the Matter of the Application of KEY SYSTEM, )  
a corporation, for a Certificate of Public Con- )  
venience and Necessity to operate a ferry boat ) Appl. No. 23222  
service for the transportation of passengers )  
for compensation between points upon the inland )  
waters of the State of California. )

DONAHUE, RICHARDS & HAMLIN, by Frank S. Richards,  
for Applicant.

EDWIN G. WILCOX, for the Oakland Chamber of Commerce.

F. B. FERNHOFF, City Attorney, and WALTER W. COOPER,  
by Walter W. Cooper, for the City of Oakland.

CHAS. S. SCHWANENBERG, City Manager, for City of Alameda.

JOHN J. O'TOOLE, City Attorney, DION R. HOLM, Assistant  
City Attorney, N. RANDALL ELLIS, Chief Valuation  
Engineer, and PAUL L. BECK, Valuation Engineer, for  
the City and County of San Francisco.

WRIGHT AND WRIGHT AND LARSON, by Randell Larson, for  
San Francisco Bay Exposition.

IRVING H. KAHN, for Down Town Property Owners Association  
of Oakland.

WALTER A. ROHDE, for San Francisco Chamber of Commerce.

MARSHALL RICKSEN, Assistant City Attorney, for the City  
of Berkeley.

A. CVIETUSA, for West Berkeley Merchants Association.

EDWARD P. MURPHY, Attorney, and RALPH A. TUDOR, Principal  
Bridge Engineer, for California Toll Bridge Authority.

JAMES J. CHAPMAN, for California Citizens Research Foundation.

RILEY, COMMISSIONER:

O P I N I O N

The Commission has before it in these proceedings requests  
from Key System to, first, extend its Exposition Motor Coach routes

into Oakland and Berkeley, and second, to inaugurate ferry service between San Francisco and Treasure Island, in order to provide public passenger transportation between Treasure Island and San Francisco and the East Bay cities for the duration of the Golden Gate International Exposition in 1940.

A public hearing was held in these matters in San Francisco on April 29, 1940, at which time the matters were submitted for determination.

The two matters before us are not directly associated with each other, therefore the East Bay motor coach service will be discussed first and then the ferry service.

MOTOR COACH SERVICE BETWEEN TREASURE ISLAND AND THE EAST BAY CITIES

Applicant now holds a certificate of public convenience and necessity for motor coach service between Treasure Island and Yerba Buena Avenue and San Pablo Avenue, Emeryville. It proposes to extend this service in three directions, viz., (1) to the central business district of Oakland; (2) to Grand Avenue and Santa Clara Avenue, Oakland (head of Lake Merritt District); and (3) to Shattuck Avenue and University Avenue, Berkeley. The description of route (1) to the central business district was modified at the hearing by enlarging the terminal loop to cover the entire business and hotel district.

These lines are so arranged that they will make direct contact with the lines of East Bay Transit Company and also with most of applicant's rail lines. Patrons of certain rail lines of applicant, however, will be required to walk one block to contact the Exposition motor coach lines at 38th Street and San Pablo Avenue.

The proposed plan embraces a round trip fare of twenty-five (25) cents for adults and fifteen (15) cents for children. In order

to facilitate the collection of fares, a fare of 15 cents will be collected from adult passengers as they board the motor coaches in the East Bay on the going trip to Treasure Island, and upon returning a fare of 10 cents will be collected as the passengers leave the Fair grounds to enter the motor coach. The full fare of 15 cents for children per round trip will be collected as they enter the motor coach in the East Bay and they will be given return tickets for the return trip from the Exposition. This method should facilitate the collection of fares and the loading of passengers. These fares do not include free transfers to the existing local service in the East Bay area.

A motor coach terminal has been designed in front of the Sunset Bridges at Treasure Island, and thereby will land the East Bay passengers at a most advantageous point to reach the various attractions offered.

Applicant estimates that the East Bay service will produce a net income of about \$14,600 (Exhibit No. 17).

The City of Berkeley contended that one line to Berkeley would not be sufficient and that at least one additional line should be installed along San Pablo Avenue. It was the City's belief that a large population west of Shattuck Avenue would use such a route.

A protest was made against the loop around the business, hotel, and apartment house area in the business district of Oakland. It was the contention that a route should be followed along San Pablo Avenue through the district in the vicinity of 16th Street and Broadway to about Harrison Street, and return via the same route. It was protestant's belief that his proposal would entail less route miles and would serve the Oakland patrons of the Exposition more favorably than the proposal of applicant.

The City of Alameda signified that a route should be established to Alameda, or at least an Exposition bus terminal should be established in that city. If such an arrangement could

not be made, then it was contended that a through fare with transfer privileges should be inaugurated to and from Alameda.

The proposed rates of fare between the East Bay and Treasure Island were unopposed.

It is clear from the record that the three proposed motor coach routes would reach the most important centers of the East Bay area and make contact with practically all of the local transportation lines. Undoubtedly if a line were installed along San Pablo Avenue, as suggested by the City of Berkeley, it would be a material convenience to the residents contiguous to that street. However, San Pablo Avenue is now supplied with local motor coach service through its entire length to Richmond. This service will intersect Exposition service in the vicinity of 58th Street and San Pablo Avenue, Oakland. Applicant should arrange stops on its rail lines in order that patrons along these lines would be able to make, as nearly as possible, a direct contact with the Exposition bus routes.

The suggested modification of the route through the business district of Oakland has been seriously considered and it appears that the proposed route would serve the entire business and hotel area of Oakland, whereas the suggested modification would serve only a portion of that district. It is to be understood, however, that if points of excessive loading develop along the loop of the route, applicant will place extra motor coaches in service to take care of these heavy loading points, without running them around the entire loop.

With respect to the request of Alameda for a direct route from Alameda to the Exposition, it is concluded from the record that such an additional route would not be remunerative and would be a drain on the Exposition routes. The existing motor coach routes

between Alameda and Oakland via the Posey Tube will make direct contact with Exposition line in the business district of Oakland.

A review of the entire record leads to the conclusion that the routes and fare structures proposed for the East Bay area would meet public convenience and necessity and should be authorized. However, if it is found that modification should be made in this service, or rates of fare, the Commission will hold continuing jurisdiction in the matter and require modification to be made if found necessary and reasonable.

FERRY SERVICE BETWEEN SAN FRANCISCO  
AND TREASURE ISLAND.

Applicant proposes to inaugurate a ferry service between the Ferry Building (Front and Market Streets) San Francisco, and the ferry slips on the west side of Treasure Island, operated in a similar manner to that in effect during the Exposition in 1939. It was shown that ample floating equipment will be available to handle the traffic offered.

Applicant proposed a fare of 10 cents for adults and 5 cents for children each way between San Francisco and Treasure Island, which it estimated would return to it a net income of about \$253,800 (Exhibit No. 22). The City of San Francisco opposed the adult fare structure and contended that a fare of 5 cents each way should be placed in effect. Exhibit No. 24 showed that such a fare structure would result in an estimated deficit of about \$92,900; however, an estimate based on a 15-cent round trip fare was introduced, which showed a net income of about \$89,000 would result (Exhibit No. 27).

It is clear from the record that the service proposed will reasonably well serve the needs of the traveling public between San Francisco and Treasure Island.

The record indicates that the rates proposed by applicant will return a profit to applicant, whereas the rate proposed by the

City and County of San Francisco would result in a deficit. The basic rate of 15 cents per round trip (or 10 cents eastbound and 5 cents westbound) would result in an estimated income of approximately \$89,000.

It is concluded that at the beginning of operations the 15-cent round trip fare, i.e., 10 cents eastbound and 5 cents westbound, should be placed in effect, and it will be so ordered. We are mindful that the volume of attendance to the Exposition is problematical, and if after the first month's operation it is found necessary to modify these rates, either upwards or downwards, the Commission will take appropriate action.

Key System 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 to the number of rights which may be given.

#### O R D E R

A public hearing having been held and the matter being under submission

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by applicant, as a passenger stage corporation as defined in Section 2½ of the Public Utilities Act of the State of California, of an automotive passenger stage service for the transportation of passengers between and serving the following named termini and all intermediate points, and to consolidate the

same with its rights granted by the Orders in Decisions Nos. 30760 and 30818, for the duration of the 1940 Golden Gate International Exposition.

1. Oakland:

Commencing at 20th Street and San Pablo Avenue, thence east on 20th Street to Harrison Street, thence south on Harrison Street to 13th Street, thence west on 13th Street to Clay Street, thence north on Clay Street to San Pablo Avenue, thence along San Pablo Avenue to 38th Street, thence via applicant's regularly certificated route across the San Francisco-Oakland Bay Bridge to Treasure Island and the site of the Golden Gate International Exposition. Returning from the Island along applicant's regularly certificated route from Treasure Island to 38th Street via the San Francisco-Oakland Bay Bridge, thence along San Pablo Avenue to 20th Street and San Pablo Avenue.

Commencing in the vicinity of Grand Avenue between Perry Street and Santa Clara Avenue, thence either via Perry Street or Santa Clara Avenue to Moss Avenue, thence to 38th Street, to San Pablo Avenue, thence via applicant's regularly certificated route across the San Francisco-Oakland Bay Bridge to Treasure Island and the site of the Golden Gate International Exposition.

2. Berkeley:

Commencing at the intersection of Shattuck Avenue and Hearst Avenue, thence along Shattuck Avenue to Adeline Street, thence along Adeline Street to Market Street, thence along Market Street to 38th Street, thence along 38th Street to San Pablo Avenue, thence via applicant's regularly certificated route across the San Francisco-Oakland Bay Bridge to Treasure Island and the site of the Golden Gate International Exposition. Returning along applicant's regularly certificated route to 38th Street and San Pablo Avenue, thence along 38th Street to Market Street, thence along Market Street to Adeline Street, thence along Adeline Street to Shattuck Avenue, thence along Shattuck Avenue to Parker Street, thence along Parker Street to Fulton Street, thence along Fulton Street to Oxford Street, thence along Oxford Street to Hearst Avenue, thence along Hearst Avenue to Shattuck Avenue, the point of beginning.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity for such service is hereby granted to Key System subject to the following conditions:

- (1) Applicant shall file a written acceptance of the certificate herein granted, not to exceed ten (10) days from the date hereof.

- (2) Applicant shall commence the service herein authorized not later than the opening of the 1940 Golden Gate International Exposition, and shall file in triplicate and concurrently make effective on not less than five (5) days' notice to the Railroad Commission and the public a tariff, or tariffs, constructed in accordance with the requirements of the Commission's General Orders, and containing rates and rules which in volume and effect shall be identical with the rates and rules shown in the Exhibit attached to Supplemental Application No. 21789, and containing in addition thereto a commutation rate for employees of the Golden Gate International Exposition and Concessionaires of \$4.60 between Treasure Island points served by the motor coach routes authorized herein and conforming to the certificate herein granted.
- (3) Applicant shall file in triplicate and make effective not later than the opening of the 1940 Golden Gate International Exposition, and on not less than five (5) days' notice to the Railroad Commission and the public, time schedules covering the service herein authorized, in a form satisfactory to the Railroad Commission.
- (4) 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.
- (5) No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant, or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.
- (6) Applicant is authorized to turn its motor vehicles at termini or intermediate points either in the intersection of the streets or by operating around a block contiguous to such intersection, in either direction; and to carry passengers as traffic requirements of the municipalities may require.

IT IS HEREBY FURTHER ORDERED that Key System is authorized to inaugurate and operate a passenger ferry service between San Francisco (Ferry Building) and Treasure Island (site of the 1940 Golden Gate International Exposition), for the period of said Exposition, subject, however, to the following conditions:

- (1) Applicant shall commence said ferry service not later than the opening of the 1940 Golden Gate International Exposition.
- (2) Applicant shall file in triplicate and concurrently make effective on not less than five (5) days' notice to the Commission and the public, tariff or tariffs, constructed in accordance with the requirements of the Commission's General Orders, containing rates in volume and effect as follows:



(Condition (2) Cont'd.)

1. Between San Francisco Ferry Building, via direct ferry, and Treasure Island - One-way Fare:
  - (a) Eastbound . . . . . 10 cents
  - (b) Westbound . . . . . 5 cents
  - (c) Children under 13 years of age, one-way fare . . . . . 5 cents
2. Between San Francisco Ferry Building, via direct ferry, and Treasure Island, employees' individual monthly commutation fare . . . . . \$3.00
3. Children under six (6) years of age will be carried free when accompanied by adult passenger paying a fare, except that not more than two (2) such children will be so carried.

IT IS HEREBY FURTHER ORDERED that the Commission reserves the right to make such further orders relative to service and rates as to it may seem right and proper, if in its judgment public convenience and necessity demand such action.

IT IS HEREBY FURTHER ORDERED that Key System shall maintain a separate and distinct record of its operating statistics, expenses and revenues relating to its Exposition service, and shall file monthly reports of the same with the Commission not more than fifteen (15) days after the close of each monthly period to which the record applies.

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.

The effective date of this Order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 6<sup>th</sup> day of May, 1940.

*Ray J. Quinn*  
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*Frank R. Quinn*  
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*Robert J. Quinn*  
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*John J. Quinn*  
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*Justin J. Quinn*  
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(COMMISSIONERS)