

Decision No. ~~38599~~

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE RIVER LINES (The California Transportation Company and Sacramento & San Joaquin River Lines, Inc.), and Their Connecting Truck and Water Carriers, for an Order Under Section 63(a) of the Public Utilities Act Authorizing an Increase in Rates and Charges.

Application No. 26807

ORIGINAL

BY THE COMMISSION:

Appearances

- McCutchen, Thomas, Matthew, Griffiths & Greene and Scott Elder, for Applicants.
- J. J. Deuel and Edison Abel, for California Farm Bureau Federation.
- C. O. Burgin, for Office of Price Administration.
- W. G. Stone, for Sacramento Chamber of Commerce.

FIRST SUPPLEMENTAL OPINION

By Decision No. 38056 of July 10, 1945, in this proceeding, The California Transportation Company and Sacramento and San Joaquin River Lines, Inc., engaged in the transportation of property as a common carrier by vessel and as a highway common carrier under the operating name of The River Lines, were authorized to increase their local rates, except dock-to-dock commodity rates, and certain of their joint rates by 10 per cent. This authorization was for a temporary period which ends January 23, 1946. By supplemental application, authority to continue the increases for an additional 180 days is requested.

A public hearing was had at San Francisco before Examiner Mulgrew on January 8, 1946.

The traffic manager for The River Lines testified that the temporary increase of 10 per cent, which became effective July 27, 1945, had not resulted in any important loss of traffic and had

enabled it to earn some profit for the first time since 1943. The River Lines' operating results, for the year 1944 and by months for 1945, follow:

<u>Year - Month</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Profit or Loss</u>	<u>Operating Ratio</u>
1944	\$1,169,494	\$1,172,309	\$(2,815)	100.4
1945 Jan.	109,116	112,515	(3,399)	103.0
Feb.	87,719	102,918	(15,199)	117.0
March	104,571	111,500	(6,929)	106.5
April	95,354	108,631	(13,277)	114.0
May	94,820	97,803	(1,983)	103.0
June	97,221	100,020	(2,799)	103.0
July	98,063	100,394	(2,331)	102.0
Aug.	103,706	99,290	4,416	95.7
Sept.	98,298	97,518	780	99.2
Oct.	122,232	117,998	4,234	96.5
Nov.	118,172	111,498	6,673	94.3
*Dec.	113,490	112,000	1,490	98.7

( ) - Denotes loss.

\* - Estimated.

Continuance of the increase was said to be imperative because applicants have, as yet, been unable to effect the operating economies which were contemplated by separation of existing vessel and truck operations as authorized by Decision No. 38380 of November 6, 1945, in Application No. 26983, et al., including the handling of all pickup and delivery freight through truck terminals. The traffic manager explained that this authority had not yet been exercised because of unavoidable delays such as those encountered in completing the Oakland truck terminal and in finding suitable truck terminal facilities in San Francisco. He stated, however, that the Oakland

terminal would be completed within two months and that at present two San Francisco locations were being investigated to determine their suitability.

The witness introduced an exhibit disclosing that while applicants' operations will show an estimated profit of \$17,595 for the last six months of 1945 they would have shown a loss of \$15,724 had the 10 per cent increase not been in effect during that period. Even with the rate increase, the indicated loss from truck operations for these six months is \$8,976. Over-all operations for the full year of 1945, applicants' studies show, will result in a loss of \$29,322. This operating experience would have been even less favorable had their general manager and president drawn salaries for their services.

The traffic manager expressed the opinion that there would be no important increase in traffic volume in the next six months and that, moreover, the trend in operating costs was still upward. He stated that The River Lines have recently experienced an increase in the wages paid to San Francisco drivers and that other upward wage adjustments are in prospect. He did not believe that applicants would be able to earn their full costs until operations could be placed on the basis contemplated by Decision No. 38380, supra, and the volume of their vessel traffic returned to its prewar volume. Continuation of the higher rates for the temporary period would not, he believed, result in any important reduction in traffic volume.

No one opposed the granting of the application. Applicants gave the Office of Price Administration the required 30 days' notice of the filing of their application with the Commission and consented to that office's intervention in this proceeding.

The record shows that the increased rates heretofore authorized are still necessary. Their continuance for the 180 days

requested, it appears, will at best return no more than a small profit. The supplemental application will be granted,

O R D E R

A further hearing having been had in the above entitled application and based upon the evidence received at the hearing and upon the conclusions set forth in the preceding opinion,

IT IS HEREBY ORDERED that the authority granted The California Transportation Company and Sacramento & San Joaquin River Lines, Inc. by Decision No. 38056 of July 10, 1945, in the above entitled application, be and it is hereby extended to 180 days from January 23, 1946, unless sooner changed, canceled or further extended by appropriate order of the Commission.

IT IS HEREBY FURTHER ORDERED that tariff filings necessary to give effect to the order herein may be made effective upon not less than two (2) days' notice to the Commission and to the public,

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of January, 1946.

*Howard Anderson*  
*Justice J. Green*  
*Wanda D. ...*  
*W. H. ...*  
*Harriet P. ...*  
 Commissioners