

Decision No. 12359

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of)
THE CALIFORNIA, ARIZONA AND SANTA)
FE RAILWAY COMPANY, a corporation,)
and THE ATCHISON, TOPEKA AND SANTA)
FE RAILWAY COMPANY, a corporation,)
for permission to abandon that por-)
tion of the line of railroad owned)
by the former and operated by the)
latter, extending from Goffs, Calif-)
ornia to the California-Nevada)
boundary line and being a portion of)
the Barnwell Branch.)

ORIGINAL

Application No. 8305

E. W. Camp for Applicants.
F. R. McNamee for the Duplex Mining Company,
a corporation; Searchlight Supply
Company, a corporation; James Cashman,
doing business under the fictitious
name of Searchlight Garage; Non-
Metallic Minerals Corporation; and
numerous other residents of Clark
County, Nevada; and certain property
owners of Lanfair, San Bernardino
County, California,

Protestants.

G. A. Duncan for the El Dorado-Flagstaff
Mining and Milling Company, and the
El Dorado Grande Mining Company of
Nelson, Nevada,

Protestants.

H.F. Coors for owners of clay deposits at
Hitt,

Protestants.

J.J. Prendergast, in propria persona,

Protestant.

J.T. Hawkins, for the Joseph Wharton Estate,

Protestant.

BY THE COMMISSION:

O P I N I O N

The Atchison, Topeka and Santa Fe Railway Company,
a corporation, and the California, Arizona and Santa Fe Railway
Company, a corporation, jointly petition the Railroad Commission

for an order authorizing the abandonment and the taking up and removal of that portion of its Barnwell Branch which is located within the State of California and extends from Goffs, California, to the California-Nevada boundary line.

A public hearing on this application was conducted by Examiner Handford at Los Angeles, the matter was duly submitted and is now ready for decision.

Applicants allege that the line proposed to be abandoned is owned by The California, Arizona and Santa Fe Railway Company, and is operated by The Atchison, Topeka and Santa Fe Railway Company under the provisions of a lease dated March 1, 1912; that until the year 1909 a daily train service was operated between Goffs, California and Searchlight, Nevada, but since that time a service of one round trip per week has been more than adequate to care for the business offering; that the present physical condition of the line is poor, large expenditures being necessary to rehabilitate track and especially bridges; that the line is constantly exposed to flood conditions which necessitate large expenditures for maintenance and repair; that the revenues derived from operation are insufficient to defray the cost of operation, maintenance and taxes and leave no surplus for interest on the investment or for emergency.

The Duplex Mining Company, a corporation, filed its formal protest at the hearing, alleging that the jurisdiction of the Commission did not extend to a determination of the issues presented in this proceeding; that the line proposed to be abandoned is an interstate railroad, owned by a California corporation, and operated under lease by a Kansas Corporation and in said operation was engaged in interstate and foreign commerce; that the branch line proposed to be abandoned is operated as a part of the system of The Atchison, Topeka and Santa Fe Railway Company, which is engaged in interstate and foreign commerce; that jurisdiction to determine the question

of abandonment and to grant the authority herein sought is vested exclusively with the Interstate Commerce Commission by the provisions of the so-called Transportation Act as passed by the Congress of the United States on February 28, 1920 (paragraphs 18, 19 and 20 of Section 1 of the Act to Regulate Commerce, Statutes at Large, 456, 477, Sec. 402).

We have given careful consideration to the protest based on alleged want of jurisdiction and to the authorities cited in support thereof. It is our conclusion that this Commission is vested with jurisdiction to pass on the issues herein presented. Applicants have sought in this proceeding only such authority as may be necessary to abandon and remove trackage located wholly within the State of California and over which traffic, both interstate and intrastate has moved. The volume of intrastate traffic and the facilities provided therefor as regards the State of California are matters solely under the jurisdiction of this Commission. The record in this proceeding indicates that appropriate application has already been made to the Public Service Commission of the State of Nevada for cessation of operation and abandonment of the portion of the branch line of railroad within that State and that appropriate application is also to be made to the Interstate Commerce Commission. The authority of each regulatory body is requisite before the abandonment and removal of the trackage can be legally accomplished, each regulatory body having certain exclusive jurisdiction and the fact that applicants have elected to first present their request for authority as regards the abandonment of the trackage located in the State of California does not preclude this Commission from the exercise of its jurisdiction and from passing on the merits of the application herein presented insofar as same have to do with traffic, operating and other conditions surrounding the intrastate operation in California.

The portion of the line located in the State of California is 41.65 miles in length and extends from the station of Goffs, the junction with the main line of the Atchison, Topeka and Santa Fe Railway Company to the California-Nevada boundary, serving the intermediate stations at Vontrigger, Blackburn, Lanfair, Ledge, Purdy, Barnwell, Hitt and Juan. The line extends to its terminus at Searchlight, Nevada, a distance of 11.60 miles from the California-Nevada boundary. The stations in California are located at points where sidings or spur tracks have been installed or where stops have seemed necessary. The stations, so-called, consist of stopping points at which station sign-boards have been erected.

Mr. J. A. Christie, Superintendent of the Arizona Division of the Atchison, Topeka and Santa Fe Railway Company testified that he was in charge of the maintenance and operation of the Searchlight Branch; that in the year 1913 a service of six trips per week was operated and that in 1916 the service was reduced to two round trips per week, at the present time a service of one round trip is operated on Friday of each week all service being rendered by the use of mixed trains. A force of eight men is employed in track maintenance on this branch, but the track is in poor operative condition, especially as to bridges. Some ten miles of track, is practically inoperative where embankments have been swept away by flood waters and where openings have been cribbed up following flood damage, in lieu of permanent repairs by rebuilding embankments or bridge and culvert structures. It is the present practice to have a motor car and gang of men precede each train operated to inspect the track and make such emergency repairs as may be necessary to ensure safe operation.

Other witnesses for the applicants testified as to the physical condition of the line, the roadbed, track, bridges and culverts; the maintenance and amounts estimated necessary as expenditures to place the line in safe operative

condition; the cost of operation; the revenue received from operation and the tonnage of freight handled and revenue derived therefrom. It appears from the testimony of these witnesses and from exhibits filed herein that the revenue and operating costs for the year have resulted as follows:-

REVENUE

Freight	\$4279.00	
Passanger	<u>913.00</u>	
Total	\$5192.00	\$5192.00

OPERATING EXPENSE

Maintenance	\$22581.30	
Operation	<u>13767.65</u>	
	\$36348.95	\$36348.95
Deficit		\$31156.95

The expense shown above for maintenance does not include maintenance other than that actually necessary to provide for the operation of the limited amount of service now being operated over this branch line, it having been shown that from 20 to 30 per cent of the ties require immediate removal and that an expenditure of approximately \$45,000 is necessary for the restoration of embankments and protection work and for the renewal of bridges and culverts. The operating expenses as shown above cover only what might properly be termed minimum operating costs and include only the items of dispatching, station employees, station supplies and expenses, train and engine men, water for locomotives and engine house expense. No allowance has been made for other operating costs, maintenance of equipment, traffic or general expense, taxes or interest on investment in property devoted to this transportation service. The addition of these items, excluding interest on investment, would increase the expense of operation approximately six times the bare operating cost herein above shown.

The tonnage received from and forwarded to points off the branch line for the periods hereafter shown is as follows:

<u>Year</u>	<u>1917</u>	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Pounds	11,034,032	10,110,156	7,289,042	5,737,996	2,970,768

The tonnage originating at and destined to points on the branch line for a similar period is as follows:

<u>Year</u>	<u>1917</u>	<u>1918</u>	<u>1919</u>	<u>1920</u>	<u>1921</u>
Pounds	193,369	4,185	3,949	6,493	2,550

The carload business handled over this branch for the calendar year 1921, exclusive of business destined to or shipped from Searchlight, Nevada, and which represents the business handled in the State of California is as follows:

<u>RECEIVED</u>	<u>COMMODITY</u>	<u>WEIGHT</u>	<u>REVENUE ACCRUING TO BRANCH LINE</u>
	Hay	57,970	\$51.53
	Alfalfa Meal	114,750	57.37
	Total	172,720	\$108.90
<u>FORWARDED</u>	Clay	88,700	257.45
	Empty tanks	26,700	37.98
	Ore	42,000	17.28
	Total	157,400	\$312.71
<u>TOTAL</u> -Received and forwarded		330,120	\$421.61

The granting of this application is protested by mining companies operating at Searchlight and in the Eldorado Mining District in Clark County Nevada, (about 22 miles from the terminal of the branch line at Searchlight), by parties developing agricultural property at Lanfair, California, and operators of clay and rock deposits with shipping points at the stations of Hitt and Vontrigger, California.

The tonnage estimated for the mining properties in the Eldorado Mining district and contingent upon the resumption of mining activity in such district is estimated by witnesses for the protestants to be 5 tons per day inbound and outbound shipments of 8 tons per month of ore concentrates and $1\frac{1}{2}$ tons of cyanide products of \$10.00 per ton valuation. The mines at Searchlight offer no immediate tonnage of consequence, either in or outbound. Shipments from the California stations show a movement of 27 cars of clay from Hitt during the year 1922 and of 28 cars of red mineral rock from Ventrigger during the same period. The red rock moves to Los Angeles where it is crushed and pulverized and used as a material for roofing.

We have carefully considered the evidence and exhibits presented in this proceeding and are of the opinion and hereby find as a fact that the continued operation of the Searchlight Branch by the Atchison, Topeka and Santa Fe Railway Company insofar as the traffic offering to or from California points either at the present time or in the near future does not justify the continuance of operation nor the excessive maintenance necessary to rehabilitate the track embankments, bridges and culverts and that the continued operation and maintenance of this branch places an undue burden on the portions of the line in California which are used by the shipping public and who are thereby contributing to the amount necessarily expended on a branch line that is unable to develop revenue sufficient to meet the bare cost of operation on a basis of service as infrequent as one round trip per week.

O R D E R

A public hearing having been held in the above entitled proceeding, the matter having been duly submitted and the Commission being now fully advised and basing its order on the finding of fact as appearing in the opinion which precedes this order,

IT IS HEREBY ORDERED that applicants herein be and they hereby are authorized to suspend operation on the Searchlight Branch of the California, Arizona and Santa Fe Railway Company as operated by The Atchison, Topeka and Santa Fe Railway Company between the station of Goffs, California and the California-Nevada State Boundary Line, and to cease operation as a common carrier over such portion of said line of railroad, provided however, that this order shall not become effective until there shall have been filed herein a certified copy of an order or other appropriate form of authorization by the Interstate Commerce Commission permitting the abandonment and removal of this branch line of railroad between Goffs, California, and Searchlight, Nevada.

The Commission reserves the right to make such other and further orders in this proceeding as to it may appear just and proper or as the public convenience and necessity may require.

Dated at San Francisco, California, this 17th day of July, 1923.

C. S. Seawey

Irving Martin
Egerton Shore

Commissioners.