

Decision No. 18871.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of Application of the)
Trona Railway Company for an Order)
Authorizing the Abandonment of Non-)
Agency Freight and Passenger Stations) Application No. 13511.
at Borosolway, California; Magnesium,)
California; and Spangler, California.)

O. W. Tuckwood and D. E. Staley for applicant;
B. H. Carmichael and F. W. Turcotte for American
Magnesium Company, protestant;
W. P. Hinchman and H. P. Knight for Solvay
Process Company, protestant.

BY THE COMMISSION:

O P I N I O N

Applicant, Trona Railway Company, seeks authority from this Commission to abandon its non-agency stations at Spangler, Magnesium and Borosolway, to remove its tracks and station facilities and to re-file tariffs omitting the points to be abandoned.

A public hearing was conducted by Examiner Williams at Trona, due notice having been given to all interested parties, and notice having been posted in all the stations of applicant company, at which hearing the matter was duly submitted and now is ready for decision.

Applicant railway is owned and controlled by the American Potash and Chemical Company (successor to the American Trona Company) and consists of 30.7 miles of standard gauge railroad, using 75-pound rail and operating between Trona and its junction with the Southern Pacific Owens Valley line at Searles. The intermediate stations now served are Spangler, Pinnacle, Magnesium, Westend and Borosolway. The road was constructed

for the purpose of serving the plant of the American Potash and Chemical Company situated on Searles Lake. The principal products of the region served are magnesium, borax, potash and precious metals.

Applicant urges as the justification for abandonment of the three stations involved, lack of use of the facilities by shippers since 1924, and the economic benefit of relieving applicant of the charges for maintenance and depreciation.

Exhibits filed by applicant through the testimony of D. E. Staley, Assistant Traffic Manager, show in considerable detail the business done by applicant at these stations between January 1, 1924, and March 31, 1927. Reduced to a common basis, without including any overhead (which is not given in the exhibits) the exhibits show as follows:

	<u>Spangler</u>		<u>Magnesium</u>		<u>Borosolway</u>	
	<u>No.</u>	<u>Rev.</u>	<u>No.</u>	<u>Rev.</u>	<u>No.</u>	<u>Rev.</u>
Passengers	46		*200		29	
Revenue		\$37.07		\$289.00		\$35.35
Freight C.L.Tons (2)	138.22	\$364.00	347.78	\$1689.03	25	\$45.00
" L.C.L."	4.1	\$17.99	30.31	\$534.17	17.35	\$99.41
Total Revenue		\$419.06		\$2512.20		\$179.76
Investment		\$1562.65		\$2198.77		\$3901.24
Annual Depreciation and Maintenance		\$273.22		\$267.99		\$565.28

* 180 in 1924.
(2) 69.68 tons in 1927.

Depreciation and maintenance figures are not supported by any actual costs, but are proportionate amounts based upon the general percentage of the valuation of the entire operation. It is the testimony of Mr. H. E. Graessle, Assistant Superintendent of applicant company, that the depreciation was upon the same basis as the entire system, but that the arbitrary figures of 7 percent maintenance had been chosen as consistent with the

general maintenance rate of 8½ percent.

The abandonment of two of the stations was resisted by certain shippers. Mr. George G. Fuller, Secretary of the American Magnesium Company, testified that this company had recently been refinanced; that it had expended about \$60,000. in constructing and equipping a refining plant at Wilmington (Los Angeles Harbor); that it had installed a new gasoline power shovel at its works; that it had prepared and put in serviceable condition its monorail system extending from the Magnesium siding to a point thirty miles southeast where the magnesium is mined, and that three locomotives and three trailers will be used. He further testified that this system was constructed at a cost of \$419,000. solely to transport the raw magnesium from the mine to the siding at Magnesium. Mr. Fuller testified that it was expected to resume full operations with a force of 10 to 15 men at the mine and railway in May, 1927, and that a 50-ton car of raw material would be shipped every other day from Magnesium.

Applicant amended its application, so far as the request to abandon at Magnesium is concerned, by withdrawing for all of its requests, except/the abandonment of its non-agency station. Applicant stipulated that it would not remove the tracks; that it would include Magnesium in the switching limits of Westend, and that there would be no disturbance of the rates on the delivery and transportation of freight in carloads, but would ask to eliminate passenger, L.C.L. and express service. It was pointed out by Mr. Fuller that the Magnesium Company would probably have many L.C.L. shipments incoming in order to provide for subsistence of its employes and maintenance of its equipment and railroad, and for this reason it desired the L.C.L.

freight service continued. Magnesium is within $2\frac{1}{2}$ miles of the Westend station. Mail for the Magnesium Company is called for by a truck of the company at Westend, and it was applicant's opinion that this truck would convey whatever L.C.L. freight might be carried to Westend. The question of rates was not presented by protestants for the reason that the rates affecting Magnesium and Westend have been the same, but protestants did seriously object to the elimination of Magnesium as a station.

Considering the entire showing as to the abandonment of Magnesium station, it appears that its usefulness for the transportation of freight, both carload and L.C.L., is to be revived and that the abandonment for these purposes should not be authorized. As there was no opposition to the abandonment for the purpose of passenger or express service, we see no objection to granting the application in these respects.

The abandonment of the station and track facilities at Borosolvay was resisted by the Solvay Process Company. Mr. E. P. Knight, Superintendent of the plant of this company, testified that it had made shipments for many years but had been practically inactive since 1920. The mill site includes 250 acres with a large investment in buildings and machinery, including boilers, evaporating tanks, crystallization vats, etc. The value of the property now in place is approximately \$100,000., not including approximately \$22,000. paid to applicant company for the construction of switches and spur tracks. This company was a large producer during and subsequent to the world war. It has 5 separate tracks and switches, 3 of which are on the right-of-way of applicant. Mr. Knight did not object to the abandonment of the station, but objected to the removal of the track facilities, as he indicated that conditions might revive

business at the plant on a large scale. He admitted, however, that a great deal of obsolete or easily replaceable machinery had been taken from the plant and sold. Applicant amended its application at this juncture by offering to maintain carload service to and from the station and to include it in the switching limits of Trona. To carry out this purpose, protestant was agreeable even to the removal of some of the facilities, providing one switch track was left for service to the plant. It appears that request of applicant to abandon the non-agency station and to maintain one switch track at this point with the agreement to give carload service is reasonable and should be permitted.

No one appeared to protest the abandonment of the station and removal of tracks at Spangler. The station facilities at Spangler consist of a sidetrack operated from either end, and an open platform for the delivery of cargo. The exhibits filed by applicant show that more than half of the revenue on carload freight at this station since January 1, 1924, has been earned in the first three months of 1927; the explanation being that two cars of machinery and one car of lumber had been received there early in the present year for the Christmas Gold Quartz Mining Company for its mill five miles distant from the station. From this fact it appears that this station may soon become useful and necessary. In view of the character and topography of the country; and climatic conditions, abandonment of facilities of this character should be granted cautiously. Installation of mills justifies the assumption that the industry will ship concentrates and receive shipments, and the sidetrack and platform now in existence would undoubtedly be necessary. Further, if this station

were abandoned, delivery or receipt would necessarily have to be made at either Searles or Westend, involving an additional truck haul of 13.1 miles to Searles or 13.2 to Westend. For these reasons, we believe authority to abandon for freight purposes at Spangler should not be granted at this time. The Trona Railroad is under a peculiar duty in that it is the only means of transportation available in a desert region where there is little population except those shifting about in mining industries. To permit abandonment of passenger service at this station will leave a stretch of 26.3 miles without any duty on the part of the carrier in transporting passengers. We do not believe that the economy proposed by applicant, based on an arbitrary estimate of maintenance and depreciation and not actual cost, justifies this change. As to passenger service at the other stations involved, the distances without passenger service are so small (each about 2 miles) as to be almost negligible.

Applicant desires to file amended schedule of class rates as shown by its Exhibit No. 7. There appears to be no objection to the rates as proposed, and they will be permitted with further provision for the inclusion of the rates now established between Spangler and other points. The joint rates between applicant and other lines are not to be disturbed by the change of rates authorized herein, the changes affecting only the local rates between points of this carrier.

O R D E R.

Trona Railway Company, a corporation, having made application to abandon its non-agency stations at Borocolvay, Magnesium and Spangler and to remove station facilities and alter rates, a public hearing having been held, and the matter

having been duly submitted and now being ready for decision,

IT IS HEREBY ORDERED that permission and authority be and they are hereby granted to the Trona Railway Company, a corporation, to abandon its non-agency station at Borosolvay and to remove its station facilities, with the exception of one spur track connection; also to abandon its non-agency station, insofar as passengers and express only are concerned, at Magnesium; it being understood that Borosolvay is to be included in the switching limits of Trona, and Magnesium in the switching limits of Westend, and that the altered rates proposed in Exhibit No. 7 applying to both abandoned stations may be filed.

IT IS FURTHER ORDERED that the application herein, insofar as it relates to the abandonment of non-agency station and facilities at Spangler, or change in rates, is denied without prejudice.

The authority herein granted shall become effective within twenty (20) days after the date hereof.

Dated at San Francisco, California, this 17th
day of August, 1927.

E. M. ...
A. B. ...
C. ...
Leon Whitehall

Commissioners.