

Decision No. 19609

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of THE ATCHISON, TOPEKA AND SANTA
FE RAILWAY COMPANY, a corporation,
for authority to reduce its train
service between Kramer and Johannes-
burg, California.

APPLICATION NO. 13684.

E. T. Lucey, for Applicant.

A. V. Udell, for Protestants.

BY THE COMMISSION:

O P I N I O N

The Atchison, Topeka & Santa Fe Railway Company, a corporation, has applied to the Railroad Commission for authority to discontinue a portion of its service over its branch line between Kramer and Johannesburg.

A public hearing herein was conducted by Examiner Williams at Randsburg, at which time the matter was duly submitted and now is ready for decision.

Applicant now maintains three schedules weekly over its branch line between Kramer and Johannesburg, the operation being conducted by a mixed passenger and freight train made up at Barstow and operated through to Johannesburg. This train gives some minor service between Barstow and Kramer. It is proposed to reduce this service from thrice weekly to twice weekly, and applicant urges, as a reason therefor, a general decline in business, resulting in operating losses, with a consequent need for the exer-

cise of economy in meeting the requirements of shippers and consignees of freight at Johannesburg and Atolia. The schedule now maintained calls for service on Mondays, Wednesdays and Fridays. By stipulation with the shippers present at the hearing, applicant agreed to give this service on Wednesdays and Saturdays if the Commission should find that the service should be reduced.

In support of the application, applicant presented the testimony of C. G. Fluhr, its division superintendent at Barstow. Mr. Fluhr testified that each trip made by this special service between Kramer and Johannesburg, without allocation of overhead, taxes or other items, costs \$100.59. The mileage chargeable to the branch line is 28.5 miles. Mr. Fluhr testified that the same service to shippers could be maintained by two services; that the only shipper requiring, possibly, more frequent service is the Atolia Mining Company, which purchases ten or more cars of water from applicant for use in its mill, and that this need may be met by storing cars of water on a siding between trips, should the mining company not enlarge its own storage capacity. As to other shipments, none involve perishables, and a difference of a day or two is not important, according to this witness. Mr. Fluhr presented the following summary of movements:

	Forwarded		Received	
	<u>C. L.</u>	<u>L. C. L.</u>	<u>C. L.</u>	<u>L. C. L.</u>
1926 - *148 cars		130,303 lbs.	409 (a)	1,665,846 lbs.
1927 - * 98 cars		117,024 lbs.	422 (a)	1,022,079 lbs.
*All ore except 6 cars.			(a) 261 cars water 1926.	
			292 cars water 1927.	
Average per trip,		.7+ cars.	Average per trip (less water)	.9 cars.
Average L C L per trip,		792 pounds.	Average L C L per trip,	8615 pounds.

M. D. Slayton, station agent of applicant at Johannesburg, testified that passenger tickets are sold about once each week, and John R. Evans, for four years conductor of the mixed branch line train, testified that there is an average of four passengers weekly (including cash fares) on the six movements in both directions. Evans further testified that I C I freight has decreased fully 50 per cent.

An exhibit filed by permission subsequent to the hearing shows that in each month from May, 1925, to April, 1927, inclusive, there was a decrease in volume of freight, and that during the same period only one month (July 1926) showed an increase in revenue. This exhibit shows that during the period stated, the volume of freight decreased from 23,633,937 pounds in the first twelve months, to 13,587,423 in the last twelve, a decrease of 10,045,514 pounds; also, that the revenue decreased from \$104,448.43 to \$66,175.40, a difference of \$38,273.03. While the exhibit does not show allocation of receipts and expenditures to the Johannesburg branch, inasmuch as the outbound shipments consist largely of ore destined to Selby, the revenue per mile for the branch would be a very small part.

The granting of the application was protested by several shippers on the ground that the mining industry is reviving, due to the establishment of a custom ore mill at Oadick, which will enlarge the shipment of concentrates.

Henry Siegal, manager of the Rand Mercantile Company, testified that the Yellow Aster Mine (of which his company is a subsidiary) is enlarging its concentrate mill five-fold and may make further increases to mine a large quantity of low-grade ore, and that prompt shipping facilities will be required. The only shipments this mine has been making consist of bullion by ex-

press, according to Mr. Siegal's testimony. The Rand Mercantile Company also receives merchandise and implements by rail.

A. V. Udell, manager of the Atolia Mining Company, which produces scheelite (tungsten), testified that the mill requires ten or more carloads of water weekly and is wholly dependent on such shipments. The plant equipment is not able to handle more than four carloads at a time. (It was this situation that applicant offered to care for by storing cars on a siding). This water is purchased from applicant at the rate of \$19.75 per car.

C. S. Meroney, general manager of the Rand California Silver Company at Osdick siding, testified that any reduction in service might cause loss to this company, which operates the Kelly mine. Its shipments are about five carloads of concentrates monthly to Selby when the mill is in full operation. Mr. Meroney testified that the mill shut down in October, 1926, but resumed in January, 1927, and expects soon to be on full production. Since January it has received six carloads of freight; and according to an exhibit filed, this company has paid applicant \$13,132.37 for freight since January, 1927. This protestant alone, between January 1 and May 17, paid applicant \$225 per trip on the present schedules, this payment, of course, including the long hauls beyond Kramer. Protestant's exhibit further shows that in 7½ years the Rand silver mine has paid an average of \$139,323.56 yearly in freight bills to applicant, including long haul payments.

J. S. Mahood, garage owner at Osdick, testified that he had shipped in a carload of automobiles and expected to have further movements of automobiles, repair parts, etc.

The testimony shows that the points served by applicant also receive service by private and public trucks, some of which transport property delivered by the Southern Pacific at Searles, 12 miles west of Randsburg, and also at Rand, a non-agency station of the Southern Pacific six miles from Randsburg. A considerable proportion of the perishable commodities and much of the merchandise is thus transported.

Applicant bases its application for a reduction of service upon the continued decrease in volume of shipments handled during the last several years, and Mr. Fluhr in his testimony stated that a large proportion of the business lost by applicant is now enjoyed by trucking companies. The bulk of applicant's business is composed of shipments for the protestant shippers, and the question is whether their business is sufficient to justify continuation of a three-day service for their purposes. We are not convinced that the volume of business now being handled by applicant to and from Johannesburg over its branch line is sufficient to justify three trips weekly. In two years the volume of business and the revenues therefrom have been reduced in excess of 40 per cent, and this covers periods when all the protesting shippers and others were active.

Applicant now asks permission to reduce its service in proportion to its decreased business, and by such reduction to effect operating economies. True, these economies are not very great as to out-of-pocket cost, but if such conditions were multiplied in great number over applicant's system, it would soon represent an enormous economic waste. It is our belief that the service has been maintained for a long period in spite of adverse conditions, and that neither the present nor the prospective activity in this region justifies the service sought by

protestant shippers. Their agreement that this service should be conducted on Wednesdays and Saturdays if the Commission finds that applicant should be relieved of one trip, is, in our opinion, proper under the circumstances. However, should a revival of activity take place in this region in sufficient volume to justify a return to a thrice-weekly schedule, the same will be required of applicant upon a proper showing before the Commission.

O R D E R

The Atchison, Topeka & Santa Fe Railway Company, a corporation, having petitioned the Railroad Commission for authority to reduce its train service between Kramer and Johannesburg, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

IT IS HEREBY ORDERED that applicant The Atchison, Topeka & Santa Fe Railway Company, a corporation, be and the same hereby is authorized to suspend its present schedule of three operations weekly over its branch line between Kramer and Johannesburg, and to install in place thereof two schedules weekly, operating on Wednesdays and Saturdays, between Kramer and Johannesburg, a distance of approximately 28.5 miles; said authority to be effective on and after August 1, 1927.

For all other purposes the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 13th day of July 1927.

E. J. ...

O. ...

Leon ...