

Decision No. 24548.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the Application of
PACIFIC COAST RAILWAY COMPANY, a
corporation, for permission to close
the Agencies of Nipomo, Orcutt and
Los Olivos, California.

Application No. 17741.

In the matter of the Application of
the RAILWAY EXPRESS AGENCY, INC.,
for authority to abandon its agency
at Nipomo, County of San Luis Obispo,
State of California.

Application No. 17781.

In the matter of the application of
the RAILWAY EXPRESS AGENCY, INC.,
for authority to abandon its agency
at Orcutt, Santa Barbara County,
State of California.

Application No. 17813.

In the matter of the application of
the RAILWAY EXPRESS AGENCY, INC.,
for authority to abandon its agency
at Los Olivos, Santa Barbara County,
State of California.

Application No. 17814.

H. C. Grundell for Applicant,
Pacific Coast Railway Company.
R. S. Elliott for Applicant,
Railway Express Agency, Inc.
Edson Abel for San Luis Obispo County
Farm Bureau.

BY THE COMMISSION:

O P I N I O N

Pacific Coast Railway Company on October 26, 1931,
filed Application No. 17741, requesting authority to discontinue

and close its agencies at Nipomo, San Luis Obispo County, and Orcutt and Los Olivos, Santa Barbara County, California. Subsequently, Railway Express Agency, Inc., filed three separate applications, Applications Nos. 17781, 17813, and 17814, to discontinue its agencies at these three stations.

Public hearings were held on these applications by Examiner Kennedy at San Luis Obispo on January 13, 1932, and at Santa Maria on January 14, 1932. At the first hearing the four applications were consolidated for hearing and decision.

Pacific Coast Railway Company operates a narrow gauge railroad extending from Port San Luis through San Luis Obispo and Santa Maria to Los Olivos, Santa Barbara County, a distance of 76 miles. In addition it operates several short branches. The agencies which the Company desires to close, together with their location in relation to other agencies in the vicinity, are shown in tabular form as follows:

Station names underlined are those it is proposed to close:

| <u>Mile Post</u> | <u>Agency Stations</u> | <u>Distance Between</u> |
|------------------|------------------------|-------------------------|
| 25.5 | Arroyo Grande | |
| <u>34.7</u> | <u>NIPOMO</u> | 9.2 miles |
| 41.7 | Santa Maria | 7 miles |
| <u>48.0</u> | <u>ORCUTT</u> | 6.3 miles |
| 63.8 | Los Alamos | 15.8 miles |
| <u>76.1</u> | <u>LOS OLIVOS</u> | 12.3 miles |

These stations are all located in a farming country, the principal commodities shipped being grain, beans, green peas,

vegetables and dairy products. Formerly, considerable oil was shipped from this vicinity but at the present time the oil industry in this locality is not operating extensively.

At the hearing applicant presented exhibits showing the amount of business revenues received and expenses at the three stations it desires to close for the years ending October 31, 1930, and 1931. Some of the figures appearing on these exhibits are shown in the following table:

| | Nipomo | | Orcutt | | Los Olivos | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | Year Ended: | Year Ended: | Year Ended: | Year Ended: | Year Ended: | Year Ended: |
| | Oct. 31 | Oct. 31 | Oct. 31 | Oct. 31 | Oct. 31 | Oct. 31 |
| | 1930 | 1931 | 1930 | 1931 | 1930 | 1931 |
| <u>Station Data:</u> | | | | | | |
| Number Waybills made, | 95 | 19 | 106 | 69 | 110 | 81 |
| Number Freight Bills made, | 345 | 243 | 767 | 463 | 1,012 | 834 |
| Western Union Messages* | 63 | 42 | 797 | 619 | 1,329 | 1,354 |
| *Includes only "Paid Here" | | | | | | |
| <u>Freight Forwarded & Received:</u> | | | | | | |
| Carloads - cars, | 84 | 69 | 164 | 43 | 100 | 155 |
| Carload Revenue, | \$1,367.13 | \$777.57 | \$2,944.42 | \$1,002.31 | \$5,443.69 | \$4,598.64 |
| L.C.L. (tons), | 175 | 58 | 603 | 84 | 262 | 234 |
| L.C.L. Revenue, | \$557.72 | \$186.42 | \$810.33 | \$391.52 | \$1,550.12 | \$1,360.43 |
| <u>Passengers & Revenues:</u> | | | | | | |
| Agency Records - | | | | | | |
| Passengers, | 13 | 14 | 8 | 8 | 32 | 13 |
| Agency Records - | | | | | | |
| Revenues, | \$6.60 | \$5.20 | \$4.35 | \$2.75 | \$21.70 | \$18.70 |
| TOTAL REVENUE, | \$1,931.45 | \$969.19 | \$3,759.10 | \$1,396.58 | \$7,015.51 | \$5,977.77 |
| Total Station Expense, | - | \$874.29 | - | \$1,410.09 | - | \$1,184.55 |

Applicant also presented a statement showing the operating revenues and expenses of its railway system for the years 1927 to 1931, from which it appears that the road has been operated at a

loss during the years 1930 and 1931, making small profit in the years 1928 and 1929. During the year 1927 operations also resulted in a loss. The totals from this statement are as follows:

| | <u>1927</u> | <u>1928</u> | <u>1929</u> | <u>1930</u> | <u>Jan. to Nov. Inclusive 1931</u> |
|-----------------------|-------------|-------------|-------------|-------------|--|
| Net operating profit, | - | \$12,328. | \$7,287. | - | - |
| Net operating loss, | \$37,359. | - | - | \$18,427. | \$50,858. |

It appears that the operations of this company are to a certain extent paralleled by the truck operations of Valley & Coast Transit Company, which is owned in part by the owners of the Pacific Coast Railway Company. The railroad company also operates warehouses at the various stations along this line and an associated company, the Pacific Coast Coal Company, maintains lumber and fuel yards at several points. It has been the practice for the agent at some of its stations to also act as the warehouse agent and as the representative of the Coal Company. As an example, the agent at the Nipomo Station, in addition to his duties as agent, is in charge of the warehouse, acts as the representative of the Coal Company, takes care of pumping of water for locomotive use and is employed for half a day as a clerk at the office of the company in Santa Maria. His salary of \$135. a month is apportioned as follows:

| | | |
|---|--------------|-----------|
| As railroad agent at Nipomo,..... | \$37.50 | per month |
| As assistant to Santa Maria railroad agent, | 30.00 | " " |
| As pumper,..... | 31.50 | " " |
| As warehouse agent,..... | 22.50 | " " |
| As representative of the Coal Company,... | <u>13.50</u> | " " |
| Total, | \$135.00 | |

From an examination of the testimony, we are convinced that the amount of time this employee spends as agent for the Company

at Nipomo is not proportionate to the amount of his salary which is charged for this service. It also appears that a similar condition prevails at Orcutt and Los Olivos, only at these points the agent's time is not so diversely distributed.

With further respect to the agent at Nipomo, the exhibit states that the station expense for the year ending October 31, 1931, was \$874.29, or an average of \$72.89 per month. It appears, however, that the amount of the salary of the joint employee at Nipomo, which is now allocated to the railroad is but \$37.50 and that during the current year the station expense at Nipomo will be considerably less than shown on the exhibit, probably not in excess of \$500.00.

The application was protested by farmers and residents of the community, particularly at Nipomo. The California Farm Bureau made considerable objection to the closing of this agency and supported its case by testimony of a number of shippers.

There is also opposition to the closing of the warehouses during certain seasons of the year and an examination of the record indicates that the shippers make more use of the employee in connection with his warehouse duties than they do in his capacity as an agent of the railroad.

The warehouse business of the applicant is being operated at a profit and we are of the opinion that if the proper allocation of the agent's salary at Nipomo, Los Olivos, and Orcutt is made, the station expense would be materially reduced from the figures shown on the exhibits.

After considering all the evidence in this proceeding, the Commission is of the opinion that the application should be

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denied.

Since the three applications of Railway Express Agency, Inc., to discontinue its agencies at Nipomo, Orcutt and Los Olivos depend entirely on the action taken on the application of the Railroad Company, these three applications will also be denied.

O R D E R

Pacific Coast Railway Company having filed Application No. 17741 requesting authority to discontinue and close its agency at Nipomo, San Luis Obispo County, and Orcutt and Los Olivos, Santa Barbara County, California; public hearings having been held and it appearing to the Commission that the above numbered application should be denied.

IT IS HEREBY ORDERED that the above numbered application be denied.

Railway Express Agency, Inc., having filed applications Nos. 17781, 17813 and 17814 to abandon its agencies at Nipomo, Orcutt and Los Olivos, respectively, and it appearing that these applications should be denied,

IT IS HEREBY FURTHER ORDERED that the above numbered applications be denied.

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The effective date of this order shall be twenty
(20) days from the date hereof.

Dated at San Francisco, California, this 7th
day of March, 1932.

C. J. Seaver
Leon Williams
W. A. Cunn
W. B. Hanna
Fred G. Stearns
Commissioners.