

Decision No. 24500.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
SOUTHERN PACIFIC COMPANY for authority)
to close the agency at Bethany, County)
of San Joaquin, State of California.)

Application No. 17705.

In the Matter of the Application of)
the RAILWAY EXPRESS AGENCY, INC., for)
authority to abandon its agency at)
Bethany, County of San Joaquin, State)
of California.)

Application No. 17711.

Henry W. Hobbs for Applicant.

H. A. Postlethwaite for several
protesting property owners.

BY THE COMMISSION:

ORIGINAL

O P I N I O N

In Application No. 17705 Southern Pacific Company has requested authority to close its agency at Bethany, San Joaquin County, and operate this station as a non-agency station. In Application No. 17711 the Railway Express Agency, Inc. requests authority to abandon its agency at said station.

Public hearings were held at Tracy by Examiner Johnson on November 20, 1931, and December 12, 1931, and at the earlier hearing the two matters were consolidated for hearing and decision. The matter was submitted on January 15, 1932.

Bethany is located on the main line of applicant company 8.8 miles west of Byron and 6.5 miles east of Tracy, agencies being maintained at both of these latter stations. Applicant has furnished the Commission with statements showing the amount of business at this station for the last four years, which are

summarized in the following table:

	:Year Ended: : Sept. 30, : 1928	:Year Ended: : Sept. 30, : 1929	:Year Ended: : Sept. 30, : 1930	:Year Ended: : Sept. 30, : 1931
<u>Freight Forwarded & Received:</u>				
Carload - Cars,	320	236	499	86
Carload Revenue,	\$12,234.	\$8,736.	\$29,764.	\$2,757.
Less-than-carload (Tons),	56	51	42	46
Less-than-carload Revenue,	\$198.	\$210.	\$228.	\$242.
<u>Passengers and Revenue:</u>				
Agency Reports - Passengers,	87	106	70	51
Agency Reports - Revenue,	\$62.	\$127.	\$47.	\$36.

It is applicant's contention that the amount of less-than-carload business at this station no longer warrants the maintaining of an agent and that the carload business can be adequately handled at adjacent agency stations. It is stated that the station expense at Bethany is approximately \$1,750. a year, whereas the less-than-carload revenue has averaged between \$200. and \$250. per year.

This application was protested by various property owners and farmers in the locality, it being their contention that the amount of business originating at that station warranted the services of an agent and that in addition to the less-than-carload business the amount of carload business should also be given weight. It is further contended that there is considerable freight originating at the non-agency station of Herdlyn, 4.1 miles west of Bethany, and that the shippers using this non-agency station are accustomed to transact their business with the company through the agent at Bethany. The protestants make further claim that the year 1931 was a year

of unprecedented crop failure in the vicinity of Bethany due to an abnormally dry year. The protestants point out that even with the poor showing of the year 1931 there is a yearly average of 377 cars handled at Bethany and Herdlyn.

The Bethany station serves a farming area of approximately 75,000 acres, all under cultivation, partly in an irrigation district. The railroad company by its own report handled 86 carloads of freight at this station in 1931, and the protestants allege that 47 more cars were handled there as Herdlyn business, which would give a total of 133 carloads at that point. While the railroad company did not report its business at Herdlyn, it did include all the expense of both stations on the report. It is therefore fair to charge the total income. It very well may be considered that the Herdlyn income would equal the total expense under the showing made.

Protestants also take the position that the closing of the agency would not enable the railroad company to effect all of the savings indicated in the application, that it would be necessary to maintain the buildings and that the expense of clerical work and stationery would have to be incurred at some other agency. In addition, they point out that there would be some loss in revenue due to diversion of freight to other means of transportation and that the revenue now received for handling the mail would be lost. The company in this case takes the mail from depot to postoffice.

It is also claimed that the agricultural conditions in the locality are changing and that while in the past shipments from this point have been largely hay and grain there is now acreage devoted to truck farming and orchard crops. A large nursery has recently been established at Bethany.

The railroad company reports show a tremendous loss in carload business from 1930 to 1931, there being only about one-

sixth of the business done in 1931 as in 1930. Some reason should have been given for this great disparity outside of general conditions. The applicant did not attempt to account for these figures, but the protestants claimed a great crop failure due to drouth. Of course the railroad company claims that only less-than-carload revenue is to be considered. However, in other cases they have frequently cited the loss in carload business as a motivating reason for discontinuance of a station, and even here the figures are cited for what they are worth.

The United States mail revenue is not in evidence, even though there is a vague guess at the revenue. The applicant should have put in this evidence, as they did in App. No. 17730, because the loss here may considerably reduce the expected savings in agency expense. The evidence is sadly lacking in just how much would be saved by the closing of this agency.

The territory served by this station is progressive, is close to metropolitan markets, is in the process of being converted to more profitable crops, and during a year such as 1932 gives promise of being, will give the railroad company an increasing business. The evidence against closing this station after so many years is stronger than the evidence in favor of closing it.

The Federal Land Bank protests because of its numerous loans made in this territory. It is the belief of the bank that property values will decrease with the closing of this long-established pioneer station.

Experience has shown that service at non-agency stations is not the same as at agency stations. The company admits the inconvenience but claims that conservation must be practiced.

However, there are so many other stations located in barren territory that are not paying their way, that we believe the applicant has picked out a fairly good station to make an example of, and in our opinion the evidence is inadequate to support the contention that the station should be abandoned, or that the railroad company would save money by doing so. The company should wait another year for farmers of this territory to make good. Then if the shipments during 1932 and the patronage of the public during a good year do not warrant keeping the station open, the railroad may renew this application. It is incumbent upon the farmers, however, to give their patronage, if they wish the conveniences of an agency station to be maintained subsequent to the present season.

The Commission has given consideration to the arguments of both parties in this matter. The railroad company bases its case almost entirely on the lack of less-than-carload and passenger business transacted at this station and it is a fact that the amount of such business is unusually low for an agency station. While it is true the amount of less-than-carload business has been frequently considered as a convenient means of measuring the necessity for maintaining an agent at a railroad station, it is not the only factor which should be given consideration. Neither can the amount of revenues collected at a station be used as the sole measure of whether or not an agent should be provided, for there are many cases of non-agency stations serving a single industry with a large volume of freight where the lack of an agent does not seriously affect public convenience and necessity. In considering this matter such factors as the number of patrons affected, the nature of the commodities shipped or received, the distance

to other agencies and the convenience of the public in transacting business with the carrier must all be considered as well as the actual revenue figures.

In the instant case it appears that Bethany is the only agency maintained by applicant between Byron and Tracy, a distance of 13.3 miles. The areas adjacent to the railroad in this locality are all under cultivation, and, to some extent, are irrigated lands. While the crops grown in the past have been principally hay and grain there is evidence that within a very short period perishable crops will be shipped from this point. With the exception of the year 1931, a substantial revenue has accrued to the railroad company at this point and it is true that abnormal weather was responsible for the crop failure in 1931. Weather conditions to date indicate that the year 1932 should be one favorable to improved agricultural conditions in the vicinity of Bethany and it is reasonable to expect that a larger volume of business will be handled by the railroad from this station during this year.

After giving these matters full consideration, the Commission is of the opinion that Southern Pacific Company should maintain an agent at Bethany at least for the balance of the current year. If at the end of 1932 the amount of patronage of the railroad facilities at Bethany does not warrant the maintaining of an agent applicant may then reopen the proceeding. The application will be denied without prejudice.

Since the application of the Railway Express Agency, Inc. to close its agency at Bethany is dependent upon the further maintaining of an agent by Southern Pacific Company, the application of the Railway Express Agency, Inc. will also be denied.

ORDER

Southern Pacific Company and the Railway Express Agency, Inc. having filed the above entitled applications for authority to close their respective agencies at Bethany, San Joaquin County, public hearings having been held and the matter duly submitted,

IT IS HEREBY ORDERED that the above entitled applications be denied without prejudice.

Dated at San Francisco, California, this 14th day of March, 1932.

Chas. S. ...
Leon ...
M. A. ...
W. B. ...
Fred G. ...
Commissioners.