

Decision No. 25166.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of SOUTHERN PACIFIC COMPANY for authority to close the agency at San Martin Station, County of Santa Clara, State of California, during the period November 15th to September 15th, inclusive of each year.

Application No. 18001.

ORIGINAL

Roy G. Hillebrand, for Applicant.
Randall O'Neill, for San Martin Civic Club.
A. H. Hall, F. P. Hayes, John Rocci,
R. D. Morrison, J. E. Morlein, Protestants.

BY THE COMMISSION:

O P I N I O N

Southern Pacific Company, a corporation, has petitioned the Railroad Commission for an order granting authority for the closing of the agency station at San Martin, County of Santa Clara, State of California, during a ten months' period beginning November 15th of each year and extending to the following 15th day of September.

A public hearing on this application was conducted by Examiner Handford at Gilroy on August 23, 1932, at which time evidence was taken and the matter duly submitted.

San Martin is located on the main line of Southern Pacific Company's Coast Division. The nearest existing agency station to San Martin is Gilroy, 6.1 miles to the south, and Morgan Hill, 3.8 miles to the north. The population of San Martin is estimated to be approximately 329 permanent residents. The principal business conducted in this district consists of

agriculture and the growing of deciduous fruits and cattle grazing on the hill lands.

A witness for applicant presented an exhibit showing a comparative statement of the business handled at the station of San Martin during the period November 1, 1930 to September 30, 1931. This tabulation shows that for this eleven months' period, which includes the ten months' period during which authority is sought to discontinue the agency, the total earnings in connection therewith are as follows:

Passenger Business ---	\$520.00
Milk and Cream	86.00
Less Carload Freight	<u>659.00</u>
Subtotal---	\$1,265.00

Carload Business (193 cars)*-----	<u>39,356.00</u>
Total Revenue--	\$10,621

* 130 of the 193 carload shipments carried highway construction materials.

The total revenue for the year ending June 30, 1932, at this station, amounted to \$8,741.49, approximately eighty-five per cent of which was derived from carload business, and about seven per cent, or \$625.00 from less-than-carload business. The record shows that the company receives a large percentage of its annual income from this station during the two months' period it proposes to retain the agency, from September 15th to November 15th of each year. During October, 1931, the company's revenue was approximately forty per cent of the annual revenue for the year ending June 30, 1932, referred to above.

Applicant proposes to arrange to store less-than-carload freight in the station warehouse under lock and key. If the application is granted the company's telephone, located outside of the depot, is to be made available for patrons who desire to communicate with agents at Morgan Hill or Gilroy

for the purpose of ordering cars or obtaining information on any other railroad business.

The record shows that the total railroad station expense during the eight months' period ending June 30, 1932, amounted to \$1,121.00, or an average of about \$140.00 per month, the principal item being the agent's salary.

A number of witnesses offered testimony to oppose the granting of the application. It was their contention that the removal of the agent would result in an inconvenience to the shippers in ordering cars and that they would be deprived of the service of receiving notice of the arrival of less-than-carload freight shipments and would be required to secure the key, to the station warehouse and telephone, from a custodian.

The record shows that during the year ending June 30, 1932, the total revenue received from agency passenger business, shipments of milk and cream, less-than-carload freight business, Western Union messages, and Pacific Motor Transport business was about \$290.00 less than the station expense, without any allowance for cost of transportation and other expenses incident to performing the service. While the net earnings of an agency is not the final test of public convenience and necessity for its continuance, it is an element that must be considered. In this instance, it does not appear that the patrons of the applicant will be seriously inconvenienced if the agency is discontinued during the period from November 15th to September 15th of each year, as proposed herein, provided that the arrangements proposed by the applicant are made effective.

After fully considering the entire record herein, we conclude that, in view of the fact that the nearby agents at the adjacent stations can take care of the business at this point, the expense of maintaining this agency during the ten

months' period from November 15th to September 15th of the following year is not at present justified and that the application herein should be granted.

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 findings of fact as appearing in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that applicant, Southern Pacific Company, a corporation, be and it is hereby authorized to discontinue the maintenance of its agency station at San Martin, County of Santa Clara, State of California, and to change its station records and tariffs accordingly, provided that said station be continued as an agency station during the two (2) months from the 15th day of September to the 15th day of November of each year, and as a non-agency station during the remaining period of each year, subject to the following conditions:

1. Applicant shall, each year, notify the public ten (10) days in advance of the closing of said agency by posting a notice in a conspicuous place at said station.
2. Applicant shall, each year, within ten (10) days from the date of the closing of said agency notify this Commission, in writing, that said agency is to be closed.
3. Applicant shall continue said station as a non-agency station during the ten months' period, beginning November 15th of each year and ending on the following 15th day of September.
4. Less-than-carload freight shipments shall be stored, under lock and key, in the company's station warehouse and the company telephone,

located at this station, shall be made available to patrons. The key to both warehouse and telephone shall be obtainable from a custodian located near said station. Notice shall be maintained at both warehouse and telephone box advising prospective shippers and patrons where the key may be procured.

5. Applicant shall, within thirty (30) days thereafter, notify this Commission, in writing, of the abandonment of the agency as herein authorized and of its compliance with the conditions herein.
6. The authorization herein granted shall lapse and become void if not exercised within one (1) year from the date hereof unless further time is granted by subsequent order.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 12th day of September, 1932.

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Leon Seamy

M. J. Lee

W. B. Hayes

James G. Stewart
Commissioners.