

Decision No. 25550

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
CENTRAL CALIFORNIA TRACTION COMPANY)
to discontinue passenger service) Application No. 12442.
between Stockton, Lodi, and Sacramento)
and intermediate points, except street)
car service between Sacramento and)
Colonial Heights.)

ORIGINAL

E. J. Foulds, L. N. Bradshaw and Gerald Duffy,
for applicant.
J. Leroy Johnson, City Attorney for City of
Stockton, interested party.
Louttit, Marceau & Louttit, by Thos. S. Louttit,
for certain residents in the vicinity of Morada,
protestants.
Edward Stern, Railway Express Agency, Inc.,
interested party.
G. M. Steele, for the City of Lodi, interested party.

BY THE COMMISSION:

O P I N I O N

In this application Central California Traction Company requests authority to discontinue interurban passenger service between Stockton, Lodi, Sacramento and intermediate points. A public hearing was held at Stockton on November 25, 1932, by Examiner Handford and at this hearing the matter was submitted, but protestants were allowed thirty (30) days in which to file exceptions to certain statistical exhibits rendered by applicant.

Central California Traction Company operates an electrically propelled railroad between Stockton, San Joaquin County, and Sacramento, Sacramento County, with a short branch line into the City of Lodi. Both freight and passenger service is provided, but it is the intent of the present application to discontinue all passenger service with the exception of certain local street

cars operating in and in the immediate vicinity of the City of Sacramento.

In support of its application, applicant presented an exhibit consisting of various maps, tables and schedules covering its operations, revenues, expenses, rates, schedules and distribution of passengers. These exhibits show that during the past five years the passenger operations of Central California Traction Company have failed to produce sufficient revenue to pay the out-of-pocket costs of the service. During the year 1931 a loss of approximately \$40,000. was incurred. Certain statistics from this exhibit are shown in the following table:

<u>Year</u>	<u>Revenue</u>	<u>Operating Expense "Out-of-pocket Cost" plus taxes</u>	<u>Net Income</u>
1920	\$276,459.	\$139,417.	\$137,042.
1921	251,266.	141,056.	110,210.
1922	229,670.	128,123.	101,547.
1923	205,529.	132,190.	73,339.
1924	149,500.	119,727.	29,773.
1925	122,105.	103,367.	18,738.
1926	100,841.	95,213.	5,628.
1927	93,909.	89,086.	4,823.
1928	85,034.	91,147.	(-) 6,113.
1929	71,425.	91,934.	(-) 20,449.
1930	64,564.	91,491.	(-) 26,927.
1931	47,220.	87,170.	(-) 39,950.
1932 (6 Mos.)	16,692.	33,629.	(-) 16,576.

Note: (-) Indicates Deficit.

On another sheet of this exhibit the total revenues, operating expenses and income of the company are shown and this tabulation indicates that in the year 1931 the Central California Traction Company operated at a loss of \$100,000. but a slight profit was made in 1930. In the two previous years, 1928 and 1929, the operations of the company as a whole were conducted at a loss. From 1920 to and including 1927 the operations show a profit. The

rate of return on the book value of the company's investment in road and equipment at no time, however, in these years exceeded 2.77%, the 12-year average being 0.867%.

The company now provides four scheduled round trips between Stockton and Sacramento daily and seven between Stockton and Lodi. In addition there is a shuttle service connecting certain Stockton-Sacramento trains into Lodi.

In one of its tabulations applicant presents figures to show that only three of these twenty-two trains pay the wages of the train crew and the cost of power and maintenance of cars involved, and that nine trains fail to pay even the wages of the crews operating them. A ten-day check of the point of origin and destination of all passengers was conducted and in one of the tables of the exhibit these data are shown, supplemented by the revenue accruing from each station on the line. This table indicates that the largest number of passengers is handled in the territory between Stockton and Lodi and it appears that there are a certain number of commuters between these cities. The exhibit shows, however, that even the Stockton-Lodi service is provided at a substantial loss. The total revenue accruing in the ten-day period on this portion of the line was \$217.58. While the actual cost of the service during the same period is not available, the exhibit does show that 2,374 car miles were operated in the Lodi service at an out-of-pocket cost of at least 20 cents per car mile, indicating that the cost of service is more than twice the revenue.

Passenger service between Stockton and Sacramento is also offered by Southern Pacific Company and The Western Pacific Railroad Company, and the Pacific Greyhound Lines and River Auto Stages operate motor stage service between these cities and intermediate points. A representative of the Pacific Greyhound

Lines appeared at the hearing and stated that his company operated five schedules each way between Stockton and Sacramento and could handle extra business and accommodate all passengers now carried on the cars of the Central California Traction Company.

Residents from several communities along the line of the traction company appeared and protested the abandonment of this service, the principal protests being from a community known as Morada, about seven miles north of Stockton, and from Wilton in Sacramento County.

A study of the passenger check indicates that during the ten-day period considered 102 passengers were handled to and from the station at Morada and the adjacent station at Hildreth, and that 26 passengers were handled in and out of Wilton. Several of the witnesses representing these communities stated that they had no other means of transportation, but others testified that they ordinarily used their own automobile.

The Mayor of the City of Lodi also entered a protest for that city and stated that if the application were granted, the city would like to have the tracks removed from one of its main business streets. A witness representing the company stated, however, that these tracks were necessary to reach certain industries for freight service. It appears to the Commission that the removal of these tracks cannot be equitably handled as a condition in the present application.

Certain of the protestants take the position that the train service should not be abandoned simply because it is operated at a loss for many other lines of industry are also suffering losses under present conditions. If the decrease in revenues accruing from the passenger service were due exclusively or even largely to the general business depression there might be some merit in this position. This is not the case, however. Passenger revenue of the

Central California Traction Company has been declining steadily for many years and over periods of both prosperity and depression. While some of the decrease in patronage during the last two years is unquestionably due to general business conditions, the consistent downward trend has been caused by the changing status of the mode of public transportation.

When this railroad was constructed and during the early years of its operation transportation by public conveyance was the common practice whereas at the present time it is the exception. The convenience, flexibility and speed of the private automobile in the class of transportation furnished by the passenger service of the Central California Traction Company offers competition which the railroad cannot meet. While it is true that a few of its old patrons continue to use the rail service and some may at times consider such service a necessity, the bulk of the traveling public use a private automobile whenever available and patronize the railroad passenger service only incidentally or in an emergency.

Under these conditions the railroad and the patrons of its other services should not be burdened with the losses incurred in providing passenger service, particularly when the railroad's operations as a whole are carried on at a substantial loss. The Commission has given careful consideration to the record in this proceeding and is of the opinion that the application should be granted.

O R D E R

Central California Traction Company having made application to discontinue the operation of all passenger trains on its line of railroad with the exception of local street car service in the City of Sacramento and in the immediate vicinity thereof, a public hearing having been held, the matter having been duly

submitted,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity no longer require the operation of said passenger trains, and

IT IS HEREBY ORDERED that Central California Traction Company is hereby granted authority to discontinue the operation of passenger trains between Stockton and Lodi and Stockton and Sacramento and to cancel in conformity with the rules of this Commission all passenger rate tariffs and time schedules between said points, subject to the following conditions:

1. Applicant shall post notices of said abandonment in its cars and at its stations at least ten (10) days in advance of the discontinuance of said passenger service.

2. Applicant shall within thirty (30) days thereafter notify this Commission in writing of the abandonment of the passenger service herein authorized and of its compliance with the conditions hereof.

3. 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 effective date of this order shall be twenty (20) days from the date hereof excepting that the notices required in Condition 1 may be posted prior to said effective date.

Dated at San Francisco, California, this 16th day of January, 1933.

C. C. Seaver,

W. A. Carr

W. B. Harris

W. L. ...

Commissioners.