

DECISION NO. _____

ORIGINAL

Decision No. 2559

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application
of the SOUTHERN PACIFIC COMPANY
to discontinue the maintenance of an
agent at the station of Warm Springs
on its Western Division.

APPLICATION NO. 1474.

Geo. D. Squires for applicant.
Thos. B. Dozier for Charles A. Warren Company
and A. D. Curtner, Protestants.

GORDON, Commissioner.

O P I N I O N .

This is an application of the Southern Pacific Company for permission to discontinue the maintenance of an agent at its station of Warm Springs on the San Jose Branch of its Western Division, it being alleged that the amount of business transacted at the station does not justify the maintenance of an agent. A public hearing was held at Warm Springs on June 30, 1915, at which time many interested parties appeared and gave testimony and the matter is now ready for decision.

The station of Warm Springs is located in Alameda County on the San Jose Branch of the Western Division of the Southern Pacific Company and is 3.5 miles east of the station of Irvington and 4.4 miles west of the station of Milpitas. The country adjacent to the station of Warm Springs is devoted to the raising of hay and grain and the smaller holdings to the raising of vegetables and garden truck which finds a market in San Francisco and Oakland. There is some land used for the pasturage of cattle and horses.

Statements introduced as exhibits for the applicant show the following business as having been transacted at the station of Warm Springs during the year ending May 31, 1915.

<u>FREIGHT.</u>		<u>TONS.</u>	<u>REVENUE.</u>
Less than Carload.	Received	290	\$507.00
	Forwarded	376	482.00
Carload.		<u>NO. CARS.</u>	
	Received	36	\$1459.00
	Forwarded	137	<u>2229.00</u>
			\$4677.00
<u>PASSENGER.</u>		<u>TICKETS SOLD</u>	<u>REVENUE.</u>
		2016 (*)	\$1993.75(*)
			<u>1993.75</u>
	Total Revenue		\$6670.75

Note:- Item marked (*) includes eight interline tickets aggregating revenue of \$367.75.

The expense of maintaining an agent at Warm Springs consists of the salary of the agent at the rate of \$75.00 per month and the expense of station supplies, fuel, lights, etc., which average about \$8.00 per month, the annual expense being practically \$1000.00. The cost of maintaining the agency at Warm Springs is a considerable item in view of the amount of revenue received.

Hay constitutes the principal carload freight forwarded from this station, and moves during the months of June, July and August. These months are also those in which the greatest amount of less than carload shipments of vegetables and garden truck are forwarded and are the heaviest freight forwarding months of the year and those during which an agent is most required for the convenience of shippers in the transaction of the company's business.

It appears from evidence adduced at the hearing that a considerable volume of less than carload shipments of vegetables and garden truck which properly should be shipped from the station of Warm Springs have been hauled to and shipped from the station of Milpitas, this for the reason that buyers of such produce represent-

ing commission merchants of San Francisco and Oakland have made a practice of purchasing consignments at Milpitas and in some instances have offered higher prices for the same grades of produce at Milpitas than they would offer at Warm Springs. One of the witness^{es} protesting against the removal of the agent testified that he represented some 3500 acres of land which was under lease to about forty tenants on the basis of a proportion of the value of the crop raised being assessed as rental, and that probably ninety per cent of the renters disposed of their products in Milpitas by reason of average higher prices being obtained over those available at Warm Springs, the commission buyers preferring Milpitas as their headquarters for the purchase of the farm products produced in this locality. It also appears that there is some automobile truck competition between Milpitas, Warm Springs and the wholesale markets of Oakland and San Francisco, and while this competition diverts freight that would otherwise be forwarded via the railroad of the applicant, Southern Pacific Company, the volume of the business so diverted is not definitely known.

A comparison of the business handled through the station of Warm Springs for the calendar years 1912, 1913 and 1914 indicates that the station is handling practically the same amount of business each year, the year 1913 showing a falling off due to a dry year and lessening the tonnage of products which would normally have been shipped during such year from the territory adjacent to Warm Springs.

In view of the foregoing facts I am of the opinion that the revenue derived from the business originating at and destined to the station of Warm Springs does not justify the amount which the applicant, Southern Pacific Company, is required to expend for the maintenance of an agent at this point. I am also of the opinion that the shippers and receivers of freight are entitled to the services of an agent during the months of June, July and August for

the reason that the greatest number of shipments move during those months. At the hearing of this application it was suggested that a caretaker might be substituted for the agent for the period of one year and that after a year's trial of a caretaker, if it was found that shippers or receivers of freight were inconvenienced or subjected to extra expense by reason of the agent being removed, the matter could again be brought to the attention of the Commission. This proposed arrangement was satisfactory to the protestants and was agreed to by the attorney for the applicant, Southern Pacific Company.

I, therefore, recommend the following form of order:

O R D E R.

The Southern Pacific Company, having made application to this Commission for permission to discontinue the maintenance of an agent at its station of Warm Springs on the San Jose Branch of its Western Division for the reason that the amount of business transacted does not justify the maintenance of an agent, a public hearing having been held and the Commission being fully advised in the premises,

IT IS HEREBY ORDERED, that the applicant, Southern Pacific Company, continue the maintenance of an agent at its station of Warm Springs during the months of July and August, 1915. It shall then employ and maintain for the period of one year and thereafter until the further order of this Commission, a competent caretaker whose duties shall comprise the keeping open of the passenger waiting room for the accommodation of the patrons of the applicant, the assisting of shippers in the preparation of shipping documents covering shipments to be forwarded, the receiving and caring for incoming less than carload freight shipments, placing same in warehouse and noting for the account of consignees all exceptions as to loss or damage in the same manner that would be in evidence were a regular agent employed, and

IT IS FURTHER ORDERED, that the applicant, Southern Pacific

