

DECISION NO. ✓

ORIGINAL

Decision No. 3627

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Appli-
cation of SACRAMENTO VALLEY
& EASTERN RAILWAY for per-
mission to abandon carrying
of freight.)

APPLICATION NO. 1780.

Thos. B. Dozier, for Applicant.
C. L. Wilson, Protestant.
G. G. Pollock for Ross Construction
Co., Protestant.
C. C. Carleton for California State
Highway Commission, Protestant.

GORDON, Commissioner.

O P I N I O N .

This is an application on behalf of Sacramento Valley & Eastern Railway for an order of this Commission permitting the abandonment of freight service on its line of railroad, it being alleged that the operation of the line for the carriage of freight has been conducted at a heavy financial loss. Public hearings were held at San Francisco on September 18 and October 22, 1915, the matter was submitted and is now ready for decision.

The Sacramento Valley & Eastern Railway extends from the station of Pitt on the line of the Southern Pacific Company to Bully Hill, a distance of 14.83 miles. The line follows the canyons of the Pitt River, Squaw Creek and Towne Creek through a mountainous country with abrupt slopes and narrow valleys. The line was originally constructed to serve the plant of the Bully Hill Copper Mining and Smelting Company at Winthrop (Railroad station, Bully Hill) and during the years in which the Mining and Smelting Company was operative the business of the railroad was profitable. The smelter of the Bully Hill Copper Mining and Smelting Company has not operated for the past five

years by reason of differences with the Federal authorities regarding the disposition of the smelter smoke and fumes and the working of the mines serving the smelter has been discontinued. Due to the suspension of operation of the mines and smelter the business of the Sacramento Valley & Eastern Railway has steadily decreased and although the train service has been reduced to a minimum heavy loss from operation has been in evidence. At the present time the passenger service is cared for by a gasoline motor car which makes one round-trip daily connecting with the Southern Pacific Company's train at Pitt. The motor car is also equipped to haul a small trailer upon which small package freight is transported. Carload freight service is handled by a steam locomotive and service is given on an average of one day per week. The carload freight business is extremely light and it is alleged does not return the cost of operation, there being practically no carloads offered for movement beyond the station of Heroult. The stations of Copper City and Bully Hill furnish or receive no freight that requires transportation in carloads and such less than carload freight intended for or shipped from these stations could be accommodated by the trailer car that is hauled by the gasoline motor.

The record of the business transacted by the Sacramento Valley & Eastern Railway for the fiscal years 1912 to 1915 inclusive is as follows:

	Fiscal Year <u>1912</u>	Fiscal Year <u>1913</u>	Fiscal Year <u>1914</u>	Fiscal Year <u>1915</u>
<u>GROSS EARNINGS FROM OPERATION</u>				
<u>Passenger Earnings.</u>				
Passenger	\$2680.85	\$3327.45	\$2069.15	\$2171.45
Excess Baggage	--	--	--	--
Mail	626.28	624.72	626.28	617.03
Express	403.89	384.19	329.15	208.55
Other Revenue from Trans.	--	--	--	--
" " " Operation	--	--	--	--
Total Passenger Earnings	3711.02	4336.36	3024.58	2997.03

<u>Freight Earnings.</u>	Fiscal Year <u>1912</u>	Fiscal Year <u>1913</u>	Fiscal Year <u>1914</u>	Fiscal Year <u>1915</u>
Freight Revenue	\$6381.04	\$9429.73	\$4099.61	\$6888.60
Other Revenue from Trans.	--	--	--	--
" " " Operation	--	--	--	--
Total Freight Earnings	6381.04	9429.73	4099.61	6888.60
Total Misc. Earnings from Operation	--	--	--	--
Total Gross Earnings from Operation	10092.06	13766.09	7124.19	9885.63
<u>OPERATING EXPENSES.</u>				
Maintenance of Way & Structures	4081.80	3357.41	11016.50	16596.63
" " Equipment	546.02	3937.68	1215.08	4084.65
Traffic Expenses	--	--	--	--
Transportation Expenses	9137.37	9639.50	7063.71	5234.84
General Expenses	5935.60	5244.74	4640.79	2936.55
Total Operating Expenses	19700.79	22179.33	23936.08	28852.67
<u>NET LOSS FROM OPERATION.</u>	9608.73	8413.24	16811.89	21964.07

Note:

Expenses do not include "Taxes."

The above record of net losses from operation indicate that some relief from existing conditions is properly sought by the applicant.

The protestants against the granting of this application offered no material evidence as to the present existence or immediate probability of carload shipments of freight in an amount even approximating the cost of freight operation and as the Sacramento Valley & Eastern Railway offered at the hearing of this case through its attorney and president to care for all freight offering for shipment in less than carload quantities, I am of the opinion that this application should be granted insofar as it refers to the handling of freight in carload lots until such time as the volume of the carload business justifies the restoration of such class of service.

I therefore recommend the following form of order:

O R D E R.

Sacramento Valley & Eastern Railway having made application to this Commission for an order permitting the suspension of freight operation on its line of railroad between the stations of Pitt and Bully Hill, public hearings having been held and the Commission being fully advised in the premises

IT IS HEREBY ORDERED That Sacramento Valley & Eastern Railway Company be and the same hereby is authorized to discontinue the transportation of freight in carload quantities, same to be effective on March 1, 1916, and this permission to continue thereafter until the further order of this Commission.

The Commission reserves the right to make such further order as to it may seem just and reasonable or as the public necessity and convenience may require.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 4th day of February, 1916.

H. B. Stanford
Wm. G. ...
Edwin C. Edgerton
Frank R. ...

Commissioners.