

Decision No. _____

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

ORIGINAL

Decision No. 3898

In the Matter of the Application of
A. R. BALDWIN,
(1st) for an order authorizing the
sale to The Western Pacific Railroad
Company, a corporation, of certain
portions of the line of railroad form-
erly belonging to the Boca and Loyal-
ton Railroad Company, and (2d) for an
order authorizing the abandonment of
certain portions of the line of rail-
road formerly belonging to the Boca and
Loyalton Railroad Company, a corporation.

Application

No. 2607.

Allan P. Matthew, for applicant.

LOVELAND, Commissioner.

OPINION.

Applicant asks the Commission to make an order authorizing the sale to The Western Pacific Railroad Company of that portion of the line or lines of railroad formerly belonging to the Boca and Loyalton Railroad Company lying and extending between Portola, Plumas County, and Loyalton, Sierra County, together with all equipment and appurtenances including the right granted to said Boca and Loyalton Railroad Company by the Western Pacific

Railway Company under an agreement dated December 24, 1908, to use in common in perpetuity with the Western Pacific Railway Company that portion of its railroad lying and extending from Portola, Plumas County, easterly for approximately 3-3/4 miles.

Applicant also asks authority to abandon the operation of said 3-3/4 miles of railroad to which reference is made in the agreement of December 24, 1908, and to abandon the operation of that portion of the line of railway formerly belonging to the Boca and Loyalton Railroad Company lying and extending between Loyalton, Sierra County, and Boca, Nevada County, a distance of 26.1 miles.

For description of the line of railway involved in this proceeding, reference is made to Decision No. 3045 dated January 15, 1916, and to Decision No. 3815, dated October 23, 1916. Pursuant to the last-named decision, A. R. Baldwin has acquired for the sum of \$35,100.00 all of the property formerly owned by the Boca and Loyalton Railroad Company in and for the interest of The Western Pacific Railroad Company. He now proposes to transfer to The Western Pacific Railroad Company that portion of the line extending from Loyalton to Portola; to abandon the operation over the line of the Western Pacific between Hawley and Portola referred to in the agreement of December 24, 1908, and to abandon operation and remove the tracks of that portion of the line extending from Loyalton to Boca.

The application contemplates that all of the property acquired by A. R. Baldwin will be transferred to The Western Pacific Railroad Company for \$35,100.00.

While several protests have been filed with the Commission, none of them relates to the sale of the property to The Western Pacific Railroad Company, or to the abandonment of operation of approximately 3-3/4 miles over the tracks of the Western Pacific. The objections all relate to the abandonment of the line between Boca and Loyalton. Some of the protests have been withdrawn because the differences have been amicably adjusted. In other instances, the parties appear to be able to obtain the same or better rates on their commodities, as for example on gasoline via Portola and Hawley than via Boca.

We realize that in a few individual cases, which have come to our attention that inconvenience and perhaps loss, will result to shippers to Reno via Boca if this application be granted. While we regret such is the case, the traffic is so small as compared with the cost of operating and rehabilitating the road that we are unable to sustain protestants.

W. E. Duncan of Loyalton reports that a canvass made by him of the territory shows that exclusive of ice shipments, there will

probably be a shipment of 200 carloads, which should yield the company about \$10,000 gross per annum. He contends that inasmuch as the entire property of the company has been acquired for \$35,100, the 26-1/10 miles of road between Boca and Loyalton represents an investment of \$18,000; that the interest annually at the rate of 6% would be \$1,080. and suggests that the continued operation of this portion of the line is justified.

The evidence submitted in support of the application shows that the road is in about a 30% condition and that all of the motive power of the company has been condemned by the Interstate Commerce Commission. T. L. Phillips, engineer for the Western Pacific, estimates that it will cost approximately \$70,000. to place the road between Boca and Loyalton in a serviceable condition. The engineers for this Commission place the estimate at about \$50,000. They both agree ^{that} the estimated amounts will not be sufficient to place the line in a first-class condition, but merely in a condition over which operation might be maintained with a fair degree of safety. With this added expenditure and with the difficulty of keeping this portion of the line open during the winter season, I think it is obvious to all that the road cannot be operated on the gross income of but \$10,000.

Applicant reports the operating revenues, operating expenses, taxes and rent assignable to the line between Boca and Loyalton as follows:

	June 30, 1914	June 30, 1915	June 30 1916
Freight Revenue	\$25,781.07	\$15,294.15	\$8,514.70
Passenger Revenue	2,909.96	1,340.57	569.12
Mail Revenue	1,182.60	405.90	--
Express Revenue	400.00	200.00	100.00
Total Operating Revenue	\$31,273.63	\$17,240.62	\$9,183.82
Operating Expenses	30,247.51	18,906.29	12,057.11
Net Revenue	1,026.12	1,665.67*	2,873.29*
Deductions from Income:			
Taxes	1,505.04	818.92	482.15
Joint Facility Rent, etc.	173.92	1,801.46	766.79
Total Deductions	1,678.96	2,620.38	1,248.94
Deficit	652.84	4,286.05	4,122.23

Note -- *Indicates deficit.

The freight and passenger revenue in the foregoing table are the actual amounts received. The mail and express revenue, as well as the operating expenses, are segregated on a train mile basis. The operating expenses and deductions include no allowance for the salaries of the general administrative officers, or the \$4,000 paid the receiver as his compensation for services rendered or any return on the investment.

The evidence submitted in support of the application further shows that the Western Pacific is willing to give such service into Loyalton as traffic may demand. It has no intention to reduce the service at present offered to the residents of Loyalton and vicinity, insofar as such service relates to shipments over the Western Pacific.

After considering all the evidence submitted in this proceeding, I am of the opinion that this application should be granted and submit herewith the following form of order.

O R D E R.

A. R. BALDWIN having applied to this Commission for authority to sell to The Western Pacific Railroad Company a certain portion of the line of railroad formerly belonging to the Boca and Loyalton Railroad Company, and for an order authorizing the abandonment of certain portions of the line of railway formerly belonging to the Boca and Loyalton Railroad Company as indicated in the foregoing opinion,

And a public hearing having been held and the Commission being fully advised in the premises,

IT IS HEREBY ORDERED that A. R. Baldwin be given authority, and hereby is given authority, to sell to The

Western Pacific Railroad Company that portion of the line or lines of railroad formerly belonging to the Boca and Loyalton Railroad Company lying and extending between Portola, Plumas County, and Loyalton, Sierra County, including all the equipment and appurtenances belonging thereto, as more specifically set forth in Schedule A hereto attached.

IT IS HEREBY FURTHER ORDERED that A. R. Baldwin be and he is hereby given authority to abandon the operation of that portion of the line of railroad formerly belonging to the Boca and Loyalton Railroad Company lying and extending between Portola, Plumas County, to a point approximately 3-3/4 miles distant therefrom in an easterly direction, at which point the said line of railway connects with the line of The Western Pacific Railroad Company.

IT IS HEREBY FURTHER ORDERED that A. R. Baldwin be and he is hereby given authority to abandon operation and remove the tracks of that portion of the line of railroad formerly belonging to the Boca and Loyalton Railroad Company lying and extending between Loyalton, Sierra County, and Boca, Nevada County.

The authority herein granted is granted upon the following conditions and not otherwise:

1. All of the property herein authorized to be abandoned shall be transferred as such abandoned property to The Western Pacific Railroad Company.

2. The Western Pacific Railroad Company shall file with this Commission a description of the property, both operative and abandoned which it will acquire pursuant to the authority herein granted.

3. Within thirty days after the acquisition of the properties herein authorized to be sold, The Western

Pacific Railroad Company shall file a duly executed stipulation, wherein it will agree to assume all the obligations of service which may attach to A. R. Baldwin in connection with the operations of the property acquired from the Boca and Loyalton Railroad Company insofar as such obligations relate to the operation, and transportation service between Loyalton and connecting points on The Western Pacific Railroad Company.

4. The authority herein granted shall apply only to such transfer as may be effected on or before June 30, 1917.

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 ^{25th} day of November, 1916.

A. S. Ireland
W. E. Gordon
Frank C. Decker
Commissioners.

SCHEDULE "A"

The property to be sold and transferred by A.R. Salawin to The Western Pacific Railroad Company is described in the application as follows:

"That portion of the line or lines of railroad formerly belonging to the Boca and Loyalton Railroad Company lying and extending between Portola, in the County of Plumas, and Loyalton, in the County of Sierra, State of California, including all the appurtenances of the said portion of the said line or lines of railroad of said Boca and Loyalton Railroad Company, including all branches thereof, and also including all rights of way, roadways, super-structures, tracks, side-tracks, turnouts, sidings, switches, rails, bridges, branches, depots, station houses, shops, warehouses, car-houses, engine-houses, power-houses, machine shops, buildings, fixtures, erections and structures necessary to and used in the operation of the said portion of the said line or lines of railroad, spurs and branches, and the lands of said Boca and Loyalton Railroad Company whereon said portion of the said line or lines of railroad, spurs and branches are located, and all and singular the rolling stock, cars, equipments and machinery, cars, poles, wires and other mechanical appliances, tools, implements and furniture appertaining thereto, and also all the franchises, rights of way, leases, licenses, consents, easements, rights, privileges and immunities relating or appertaining to said portion of the said line or lines of railroad of said Boca and Loyalton Railroad Company, and all extensions thereof and additions thereto, and all replacements and renewals of the same and of all parts thereof, and including the right granted to the said Boca & Loyalton Railroad Company by the said Western Pacific Railway Company under and by virtue of the aforesaid agreement of December 24th, 1908, to use in common with the said Western Pacific Railway Company that portion of its railroad lying and extending from Portola, in the County of Plumas, to a point approximately three and three-fourths miles distant therefrom in an easterly direction as hereinbefore in paragraph IV hereof particularly set forth, and also all other property, real, personal and mixed, constituting a part of or appurtenant to the said portion of the said line or lines of railroad of the said Boca and Loyalton Railroad Company within the said Counties of Sierra, Plumas and Nevada, State of California."