

Decision No. \_\_\_\_\_.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

-----ORIGINAL

In the Matter of the Service of )  
STOCKTON TERMINAL AND EASTERN )  
RAILROAD COMPANY. )

Case No. 1085.

Decision No. 4406

F. J. Dietrich, Receiver for Stockton Terminal  
and Eastern Railroad Company

Thos. S. Louttit, for Committee of interested  
bondholders.

GORDON, Commissioner:

O P I N I O N

This is a proceeding instituted on the Commission's initiative under the provisions of Section 37 of the Public Utilities Act to inquire into the matter of service on the Stockton Terminal and Eastern Railroad, complaints having been received that no adequate or satisfactory service was being rendered by the railroad to the communities tributary to its line. The Superior Court of San Joaquin County on June 12, 1917, appointed a receiver for the property of the Stockton Terminal and Eastern Railroad Company, and Mr. F. J. Dietrich, the duly appointed Receiver, accepted service of the Commission's Order instituting this investigation and personally appeared at the hearing of this case and consented that the hearing proceed. A public hearing was held at Stockton on June 14, 1917. The matter was duly submitted and is now ready for decision.

The line of the Stockton Terminal and Eastern Railroad extends from Stockton to Bellota, a distance of 18.5 miles, all in San Joaquin County. It traverses a level farming country and reaches a gravel deposit at Bellota.

Patrons of the Company having complained of the irregularity of scheduled service and that published schedules were not being observed, it was found upon investigation that the Company was unable to give service account of lack of funds, that the one locomotive used in the operation of the freight service was held by the Southern Pacific Company pending settlement of a repair bill, that the gasoline motor car used in connection with the passenger and express service was inoperative and required extensive repairs and that the only service rendered was by a small track automobile carrying passengers and light freight at irregular intervals but not operating in accordance with the published schedule nor in such manner that furnished dependable service for the patrons of the Company.

Figures furnished by the Stockton Terminal and Eastern Railroad for the six months period ending December 31, 1916, (the last record available) indicate that the total revenue derived from operation was the sum of \$9,266.40 and the operating expenses amounted to \$13,989.33, resulting in a deficit of \$4,722.93 to which deficit should be added items of taxes in amount \$521.70, interest on funded debt in amount \$2,518.00, interest on unfunded debt in amount \$90.00, and hire of equipment in amount \$110.70, making a total deficit of \$7,963.33.

The revenue derived from passenger operation for this six months period was in amount \$1,193.85, made up of \$727.00 passenger revenue, \$384.17 mail revenue and \$82.68 express revenue. As the passenger traffic has largely been lost to this railroad and is now being cared for by automobile stages and privately owned machines and as the mail revenue is no

longer available, other method of mail carriage being provided by the Post Office Department, it does not appear advisable to continue passenger operation under present conditions, and I recommend that the Receiver be authorized to discontinue all passenger train operation.

As regards freight operation the communities served by this railroad are dependent upon it for the movement of their crops and at the hearing of this case ranchers and fruit growers stated that there were approximately eight thousand tons of green fruit tributary to the railroad all of which would move during the coming crop season. Practically all this fruit is intended for shipment to canneries and if not shipped over the line of the Stockton Terminal and Eastern Railroad would have to be hauled by wagons or auto trucks to the station of Peters on the line of the Southern Pacific Company or to Stockton for shipment. This haul would increase the cost of marketing and by reason of the rough roads would materially damage the fruit and result in a further loss.

Some of the fruit shippers expressed a willingness to advance to the railroad an amount equivalent to one-half of the estimated freight charges on their shipments to ensure the operation of the line for the movement of the present season's crop.

Heavy grain crops are ready for harvest and will contribute a substantial tonnage for carload movement and several carloads of beans will offer for movement during the fall months.

It is my opinion, and I therefore recommend, that the Stockton Terminal and Eastern Railroad be required to operate a daily freight service for carload business only and continue such operation for such period as the revenue

derived therefrom shall equal the cost of operation, and that when such freight operation is not productive of sufficient revenue to defray the expense of operation the Company should apply to this Commission for permission to suspend operation until such time as traffic conditions shall justify its re-establishment.

The Commission desires to direct the attention of the Receiver of the Stockton Terminal and Eastern Railroad Company and of the patrons of the Company who desire the continuance of freight service to the present condition of the track and roadbed. Weeds and grass have been permitted to grow on the track and right of way, and these are now dry and constitute a menace to adjoining property as regards fire. Before the line can be operated for freight shipments by use of an oil burning locomotive the dry weeds and grass will require to be removed, and it is suggested that shippers and property owners adjoining the right of way of the railroad co-operate with the Receiver in the matter of eliminating the fire hazard caused by the presence of the dry weeds and grass.

I suggest the following order:

O R D E R.

This Commission having instituted a proceeding on its own motion requiring an investigation into the matter of service on the line of the Stockton Terminal and Eastern Railroad Company, a public hearing having been held, and the matter having been duly submitted and the Commission being fully advised,--

IT IS HEREBY ORDERED that the Receiver of the property of the Stockton Terminal and Eastern Railroad Company be, and he hereby is, authorized to discontinue the operation of all passenger train service until the further order of this Commission; and

IT IS FURTHER ORDERED that a regular freight service, for carload shipments only, be established and operated daily until the close of the present crop season, and that application be made to this Commission for suspension of such service when traffic conditions do not warrant its continuance.

The Commission reserves the right to make such other and further orders in this proceeding as may to it appear right and proper or necessary for the public convenience.

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 18th day of June, 1917.

Max Thelen  
H. B. ...  
...  
Edwin C. Edgerton  
Frank ...  
Commissioners.