

ORIGINAL

Decision No. 9358.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of)	
SOUTHERN PACIFIC COMPANY for an order)	
permitting discontinuance of Trains)	
Nos. 61 and 64, between Calistoga)	Application
and Napa, California.)	Number 6675.
.)	

H. H. Gogarty for Applicant.
 Henry C. Gessford for Chamber of Commerce
 of Calistoga; Chamber of Commerce
 of St. Helena; Civic Club of Calis-
 toga; Town Trustees of Calistoga;
 Town Trustees of St. Helena; Mayor
 of Calistoga; Mayor of St. Helena;
 California Medical Missionary &
 Benevolent Association operating
 St. Helena Sanitarium; and citizens
 and taxpayers generally; Protestants.

BY THE COMMISSION:

OPINION.

Southern Pacific Company, applicant in the above-entitled proceeding, has petitioned the Railroad Commission for an order authorizing the discontinuance of certain passenger service by the elimination of two trains now operating between Napa and Calistoga, scheduled as Trains Nos. 61 and 64, alleging that such trains are not attracting sufficient patronage to justify their continuance .

Public hearings on this application were conducted by Examiner Handford at St. Helena, the matter was duly submitted on briefs to be filed by counsel for applicant and protestants, briefs have been filed and the matter is now ready for decision.

The trains proposed to be discontinued operate on the Napa Branch of the Western Division of applicant, Southern Pacific Company, and on the following schedules:

Train 61. Leaves Calistoga 6:25 A. M. Daily; arrives Napa 7:40 A. M.

Train 64. Leaves Napa 7:00 P. M. daily, arriving Calistoga 8 :05 P. M.

Witnesses for applicant testified as to the reasons supporting the request for discontinuance of the service heretofore rendered by Trains 61 and 64 between Napa and Calistoga; that the trains were operated at a material loss due to insufficient patronage by the public; that the loss of patronage was attributed largely to more frequent service offered by the San Francisco, Napa and Calistoga Railway, a competing electric line operating and serving the same stations as the trains proposed to be abandoned; that the advent of the automobile has made serious inroads into the patronage formerly accorded by the traveling public; that the trains proposed to be withdrawn have never been operated at a profit; that the passenger business on the Napa-Calistoga branch has been decreasing steadily since the commencement of operation of the competing electric line; that the operation of the trains proposed to be withdrawn is unremunerative and does not return the bare cost; and that the communities affected will be adequately served if the withdrawal of the trains is permitted.

The following data is reflected by exhibits which were filed by applicant as indicating traffic conditions, revenue and expenses;

Average passengers per day (based on period from March 25 to 31, 1921, inclusive.)

Train 61, Calistoga to Napa. 15 passengers, of which

number 14 were destined to points beyond Napa. Total average daily revenue, at rate of 3.6¢ per passenger mile \$10.37; revenue per passenger train mile, 38.4¢; total passenger revenue for 30 day month upon above basis, \$311.10.

Train 64, Napa to Calistoga.

16 passengers, of which number 14 originated at points south of Napa. Total average daily revenue, at rate of 3.6¢ per passenger mile, \$176.10; revenue per passenger train mile, 21.7¢; total passenger revenue for 30 day month upon above basis, \$176.10.

Average Earnings per Train Mile (entire branch between South Vallejo and Calistoga.)

April, 1920 to March, 1921, inclusive.

Train No. 61.

Train No. 64.

\$0.60

\$0.69

Average Excess Baggage Collection at Stations on Calistoga Branch north of Napa. (Months of July and December, 1920, and March, 1921, taken as representative months.)

\$16.05 per month.

Net Direct Operating Costs between Napa and Calistoga, for Trains Nos. 61 and 64. (based on direct saving if such trains were to be discontinued.)

Wages - - - - -	572.60
Locomotive Expense - - - - -	581.37
Other Train Expenses - - - - -	100.45
Taxes (based on 5 1/2% of Revenue) - - - - -	25.57
Total - - - - -	\$1,279.99

The granting of this application is protested by civic organizations, town trustees, public officials and many other citizens in the communities heretofore served by the trains proposed to be withdrawn.

Witnesses for protestants testified as to the inconvenience that would result were authority to be granted for the withdrawal of the trains; that mail service would be delayed as to delivery at Calistoga and St. Helena; that difficulty and inconvenience would be caused passengers destined to or from points between Napa, Calistoga and San Francisco and the Bay Cities or Sacramento and other Sacramento Valley points, when such passengers desired to make the round trip in one day; that the trains proposed to be withdrawn have been operated upon approximately the same schedule for the past 40 years; that the business of the St. Helena Sanitarium would be interfered with, such sanitarium doing approximately 90 per cent of its business with patients originating in California 55 per cent being residents of the Bay Cities and approximately 35 per cent reaching the Sanitarium over the lines of the applicant via Sacramento; that the advertising programs of the various protesting chambers of commerce would be interfered with in that literature has been widely circulated containing information that applicant has two trains in each direction operating on its Calistoga Branch; that resorts in and around Calistoga, including Lake County resorts served through the Calistoga gateway, would suffer material loss of patronage; that no round trip reduced rates are now procurable over lines of applicant although offered by the competing electric line, as well as a lower single trip fare both in the district which would be effected by the proposed discontinuance of service and also to San Francisco; that merchants in Calistoga depend upon train No. 64 for delivery of newspapers, ice cream and perishable supplies; that shippers of milk and cream to San Francisco via train No. 61 will be inconvenienced as will also a shipper of dehydrated products from St. Helena who is now able to receive mail orders and answer correspondence and make parcel post or express shipments on the same

day; and that shippers of cherries by express in carload and less than carload lots, may be inconvenienced as to supply of refrigerator cars and facilities for prompt shipment by express.

We have given very careful consideration to the evidence and exhibits filed in this proceeding as well as the briefs of counsel for protestants and the applicant.

It appears from the evidence that the operation of the trains herein sought to be discontinued has returned a revenue materially less than the bare or out-of-pocket cost of operation. The receipts per passenger train mile in the territory between Napa and Calistoga, where discontinuance is sought, amounting to 30.05 cents per train mile and the entire receipts over the Calistoga Branch for the trains herein considered being 34.5 cents per train mile. The expense of operation, and considered on the most favorable basis being the actual savings to be accomplished by the discontinuance of these trains in the territory herein sought, is 81.42 cents per train mile, or 51.37 cents per train mile less than the bare cost of operation. The train mileage proposed to be discontinued, based on a 30 day month, results in a direct loss to applicant of \$807.53 in which no consideration whatever has been given to items of additional operating cost, such as station expense, maintenance of way and structures, traffic or general expense, taxes or any interest on investment, all of which items should be considered as forming portions of operating cost which might properly be claimed by applicant.

We are not unmindful of, and are impressed with, the sincerity of protestants in this proceeding who are desirous of having the present service continued in effect as it has been for many years. The attention of these protestants is directed

to the fact that the district served by the trains herein sought to be discontinued is also served by six trains in each direction operated by the San Francisco, Napa and Calistoga Railway, that such trains offer a direct service to or from San Francisco in connection with the steamers of the Monticello Steamship Company and at a lesser rate of fare than exists on the line of applicant, also transfer can be made at Napa to and from the trains of the Southern Pacific Company. The electric line also handles express matter in connection with the American Railway Express Company, which also operates over the line of applicant. As to the transportation of United States Mail the electric line is in position to accept such transportation if the Post Office Department offers the mail and parcel post for movement over such route.

The rates of applicant, to which reference is herein made and which testimony indicates are higher than the rates of the competing electric line and which also do not offer the advantage of any reduction as regards round trips were established by the United States Railroad Administration when the railroads were operated by the federal government and by other proceedings in which such rates were declared just and reasonable. The rates of the competing electric carrier were not raised by federal order as such carrier was not under federal control and has not received authority to increase rates to the standard rate per passenger mile authorized for steam railroads, nor for the withdrawal of reduced round trip rates. No evidence was introduced in this proceeding indicating that the rates of applicant were unjust or unreasonable or that they were returning more than a reasonable amount on the capital invested after caring for the expense of operation, fixed charges, taxes and depreciation. The condition as to the revenue derived from the

specific trains proposed to be discontinued and the cost of operation is, however, fully set forth by the evidence in this proceeding.

The Commission in this proceeding, as in all others involving reduction of train service or of any curtailment of service heretofore provided for the public and whether such requests for curtailment are presented formally or informally, has very carefully considered all facts presented and with particular attention to the public interest, and to conditions that have been created by reason of a particular service having long existed and thereby having become apparently an established factor in the communities served. It is evident, however, in the particular instance as presented in this proceeding, that the patronage which has been accorded by the public to the trains proposed to be discontinued in the district heretofore served has been materially less than is necessary to meet the costs of operation and that the minimum direct cost of operation has exceeded by almost two and one-half times the amount of revenue derived.

We are of the opinion and hereby find as a fact that the operation of trains Nos. 61 and 64 between Napa and Calistoga on the Calistoga Branch of the Western Division of the Southern Pacific Company has been conducted at a cost far in excess of the revenue derived; that the patronage accorded such trains by the traveling public does not justify their continuance; and that other reasonable methods of transportation will be available for the public if such trains are discontinued.

O R D E R

Public hearings having been held in the above entitled proceeding, the matter having been duly submitted, briefs

having been filed by interested counsel and the Commission being fully advised and basing its order on the finding of fact as set forth in the opinion which precedes this order,

IT IS HEREBY ORDERED, That this application be and the same hereby is granted, subject to the following conditions:

Applicant, Southern Pacific Company, will be required to give due notice to the public of the suspension of operation of trains Nos. 61 and 64 between Calistoga and Napa by posting notice of the date of discontinuance of said trains at all stations affected and by advertisement in the public press at least ten days prior to the date of such authorized discontinuance.

Dated at San Francisco, California, this 13th day of August, 1921.

H. J. Rendice
H. J. Rendice
Erving Martin
Chas. H. Bruce
H. J. Rendice
Commissioners.