

Decision No. 28115.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of SOUTHERN PACIFIC COMPANY for an order authorizing it to close the agency at Cordelia Station, County of Solano, State of California, during the period November 1st to April 30th, inclusive, of each year.

ORIGINAL

Application No. 18792.

Roy G. Hillebrand, for Applicant.

Edson Abel, for California Farm Bureau Federation
and Solano Farm Bureau Federation.

BY THE COMMISSION:

O P I N I O N

In this proceeding Southern Pacific Company seeks authority to operate its Cordelia Station as a non-agency during six months of the year.

A public hearing was conducted in this matter before Examiner Hunter June 6, 1933, at Fairfield.

Cordelia is situated on Southern Pacific Company's branch line between Suisun-Fairfield and Napa Junction, being located 5.7 miles from the station at Suisun-Fairfield and 7.5 miles from Napa Junction.

The train service on this branch line consists of freight operation only; passenger service was discontinued some five years ago. The Pacific Greyhound Lines, Inc., a common carrier, offers local transportation for passengers and express to and from Cordelia. The freight service at Cordelia normally consists of one train in each direction daily; the westbound local passes through Cordelia at about 3:30 A.M. and in the opposite direction at 6:00 P.M. In addition to the local freight which stops at Cordelia, there are two other trains

in each direction operated daily over this line.

Cordelia is an unincorporated town in Solano County and is the trading center for a large agricultural and stock raising district.

At this time Southern Pacific Company maintains an agency at Cordelia between the hours of 8:00 A.M. and 5:00 P.M. daily, except Sundays and holidays. It now seeks authority to operate this station as a non-agency from November 1st of each year to April 30th of the following year and continue the agency during the remainder of the time; in other words, under the company's plan the station would be operated as an agency for six months of the year and as a non-agency during the remainder of the time.

The following tabulation shows the results of operation at Cordelia for the years ending April 30th 1932 and 1933, and two six-month periods ending April 30th 1932 and 1933.

I t e m s	: Year Ending April 30th:		Six-month period					
	:		: Ending April 30th					
	: 1932	: 1933	: 1932	: 1933				
	No.:	Revenue:	No.:	Revenue:	No.:	Revenue:		
Baggage handled - pieces	23	-	9	-				
Waybills made	334	314	51	31				
Freight bills made	645	497	296	241				
Western Union Messages	233	141	105	46				
**Passengers	67	\$ 39	93	\$ 28	31	\$ 14	73	\$ 21
**Milk and Cream - Cans	417	76	763	132	395	72	408	72
*Less-than-carload - Local		397		305		162		109
" " " - Interline		1		22		1		13
Sub-total		\$513		\$487		\$249		\$215
Carloads - Cars	170		269		23		35	
* Carload Revenue - local		1,668		4,092		552		857
" " - interline		11,777		9,178		217		791
Sub-total		\$13,445		\$13,268		\$769		\$1,648
TOTAL		\$13,958		\$13,755		\$1,018		\$1,863

* The amounts shown are one-half of the total revenue for shipments received and forwarded in order to allocate or credit to this station its proportion of the revenue derived therefrom.

** Handled by Pacific Greyhound Lines, Inc., under contract.

In addition to the revenue shown above the company now receives from Pacific Motor Transport Company approximately \$120 and \$5 from the Western Union per year. There is also a revenue from the Express business which is not shown above, the exact amount of which, however, was not determined as applicant's witness testified it would require a large amount of accounting to segregate the total revenue between the parties.

The annual station expense, including salary of agent, heat, light etc., amounts to about \$1,600.

About 60 per cent of the carload shipments handled at Cordelia consists of fruit and vegetables, 20 per cent of livestock, the remainder being stock feed, building material and miscellaneous. The record shows that approximately 90 per cent of the revenue from carload business and 60 per cent from less-than-carload business is received during the six-month period when the company proposes to retain the agency service.

It may be noted from the foregoing that the revenue received from all business, other than carload, conducted at Cordelia Station during the six-month period applicant proposes to close the agency is materially less than the out-of-pocket cost of maintaining this agency station. It is primarily upon this ground that the company takes the position it should not be required to maintain the agency throughout the year, particularly in view of the fact that there is an agency station within a distance of less than six miles to the east and eight miles to the west of Cordelia.

During the time it is proposed to operate the station as a non-agency, the company plans to store less-than-carload shipments in its warehouse to be kept under lock if the services of a custodian

of the key can be secured. The company also plans to provide a free telephone for the use of its patrons in contacting the adjacent agencies.

The granting of this application was opposed by the Solano Farm Bureau and a number of residents and patrons, contending that the services of an agent are reasonably required to meet shippers' needs in the way of taking care of less-than-carload business; that Southern Pacific Company's plan to operate this agency as a non-agency station during six months of the year would be unsatisfactory in that it would be inconvenient if patrons were required to secure the key to the warehouse; that confusion would arise through storing less-than-carload shipments in the warehouse without an agent to keep them segregated and advise the consignees of the arrival of such freight; that the services of the agent assisted them a great deal in arranging for cars, sealing them and preparing bills of lading; that the proposed plan, if put into effect, whereby the shipper would have to make out his own bills of lading would be an unreasonable reduction in service; and that in view of the fact the annual revenue for freight shipments to and from Cordelia is a substantial sum, the company should be willing to assume some loss while maintaining the station during the slack season.

To these contentions the company states that its plan to operate this station as a non-agency during a portion of the year is similar to that existing at a great many other points on its line in California and, with the arrangements it proposes to make, shippers will not be seriously inconvenienced in receiving or forwarding freight shipments of all kinds. They also point out that the shippers can receive complete railroad information from the adjacent agencies by making use of the company's telephone or using their own telephone at a nominal expense.

In analyzing the record in this proceeding it appears that this is what might be termed a borderline case, that is, one in which the evidence supporting the application approximates that opposing it. In the instant case we find that Cordelia is the trading center for a large agricultural section which in the past has given a substantial volume of business to the railroad. It is apparent that this business has declined for two reasons; one of which is motor truck competition and the other, general decline in all business during the past few years. Although the present earning position of this agency is low during the portion of the year applicant proposes to operate it as a non-agency station, we find that the agency produced a substantial amount of revenue over the entire year, amounting to approximately \$14,000. It is not unreasonable to assume that business at this agency will recover to some extent at least as general economic conditions improve; in fact there are indications in this record that the shippers will support the railroad to an even greater extent in the future than in the past if the agency is retained throughout the year. On the other hand, some of the shippers testified that if the company's plan of operating this agency is put into effect they will employ truck transportation rather than rail. Such alleged diversion of traffic is a matter the carrier should seriously consider rather than being a controlling element in determining this application.

It is finally concluded that the proper method of disposing of this application is to deny the application for the present at least, with the thought that if at a later date business does not increase as it is expected it may do, the Commission will entertain another application to consider the closing of this agency along the

lines proposed herein and accordingly the following order will be entered.

O R D E R

A public hearing having been held in this proceeding, the matter being under submission and now ready for decision,

IT IS HEREBY ORDERED that the above entitled application be and the same is hereby denied without prejudice.

Dated at San Francisco, California, this 30th day of June, 1933.

CC Seamy

W. H. C.

W. B. Davis

W. H. C.

Commissioners.