

ORIGINAL

Decision No. 27840.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of NORTHWESTERN PACIFIC RAILROAD
COMPANY for an order authorizing
it to close its agency at Kenwood
Station, in the County of Sonoma,
State of California.

Application No. 19752.

R. S. Myers, for Applicant.

N. D. Pritchett, for Protestants, and The Order
of Railroad Telegraphers.

BY THE COMMISSION:

O P I N I O N

In the above entitled proceeding Northwestern Pacific Railroad Company seeks authority to discontinue agency service at its Kenwood Station, in Sonoma County, and thereafter operate this station as a non-agency until sufficient traffic shall have developed to justify maintaining agency service.

A public hearing was conducted in this matter at Santa Rosa by Examiner Hunter, on February 5, 1935, at which time protestants requested that they be allowed thirty days in which to file a brief. This brief is now before the Commission and the matter is ready for decision.

Kenwood, which is an unincorporated town having an estimated population of about 300, is located near the end of applicant's Sonoma Branch. This branch extends from a connection with the main line at Ignacio in a northerly direction to Los Gullicos, the total length of which is 33 miles, Kenwood being located two miles south of Los Gullicos. Present service on this branch consists of two passenger trains in each direction daily and one freight train in each direction daily, except Sunday. The nearest agency to Kenwood is at Sonoma, located eleven miles to the south. There are ten non-agency stations between these two points. The agency accounting for the business conducted at these non-agency stations is divided between the two agencies, or, in other words, the agency accounting for northbound shipments to and from these non-agency stations is handled at Kenwood, while the accounting for southbound shipments is handled at Sonoma.

The operating results obtaining at Kenwood Station during the years 1933 and 1934 are shown in the following tabulation, which was introduced as Exhibit No. 1:

BUSINESS HANDLED AT KENWOOD STATION

Station Data	Year Ended :12-31-34:	Av. Per Month:	Year Ended :12-31-33:	Av. Per Month:	Av. Per Mo. Comparison Incr. : Decr.:	
Baggage handled - pcs	24	2	-	-	24	-
Number of Waybills made	37	3	62	5	-	2
Number frt. bills made	293	24	849	71	-	47
Western Union messages	183	15	227	19	-	2
<u>FREIGHT RECD. AND FRD.</u>						
Carloads - Cars	14	1	8	1	-	-
Carload Revenue - local	\$247	\$21	\$230	\$19	\$2	-
" " - interline	353	29	364	30	-	\$1
Less-than-carload Revenue -						
local	207	17	309	26	-	8
interline	76	6	39	3	3	-
<u>PASSENGERS AND REVENUE:</u>						
Agency Reports -						
Number Passengers	201	17	174	15	2	-
Revenue	\$235	\$20	\$102	\$ 9	\$11	-
Milk and Cream - Cans	350	29	-	-	29	-
" " " Revenue	\$ 74	\$ 6	-	-	\$ 6	-

STATION EXPENSES COMPARED WITH LESS-THAN-CARLOAD,
TICKET AND MILK REVENUE FOR YEAR ENDED DECEMBER 31, 1934

Total Station Expense	\$1,731	
Average per month		\$144
Less-than-carload Revenue	\$ 283	
Average per month		\$ 24
Ticket Revenue - Agency Reports	\$ 235	
Average per month		\$ 18
Milk Revenue	\$ 74	
Average per month		\$ 6
Total average Revenue per month for less-than-carload Ticket (agency report) Sales and Milk		\$ 48

The above record includes revenue to the Northwestern Pacific Railroad Company and all joint business with the Pacific

Motor Transport. It does not, however, include any revenue for Western Union business which, according to the testimony, is very small, or revenue from non-agency station business which is handled at Kenwood.

It may be observed from this tabulation that the total revenue received by applicant from all business handled at Kenwood, carload and less-than-carload, both inbound and outbound, has during the past two years been materially less than the agent's salary. In 1934 the revenue from less-than-carload, ticket sales and milk business averaged \$48 per month, whereas the agent's salary was \$144. Testimony shows that the agency account represents about 9 per cent of the total system operating expense.

Applicant proposes, should this application be granted, to store less-than-carload shipments in the warehouse under lock. At this time the company has an employee at Kenwood whose duty it is to service the motor car used in passenger operation, the hours of this employee being from 9:00 A.M. to 5:00 P.M. Under applicant's plan, keys to the warehouse will be in the hands of this employee and some of the larger shippers so that they may gain access to the less-than-carload shipments stored therein and to deposit other shipments to be picked up by the train crew. The company also proposes to absorb all telephone charges from Kenwood to the Sonoma Agent on matters dealing with railroad business. Such telephone business will necessarily have to be conducted from private telephones as no telephone is maintained at the Kenwood Station.

With respect to passenger service, the proposed change will make practically no difference, except in the case of requests for information, as passengers will board the train at Kenwood without tickets and pay the conductor the same fare as if the ticket had

been purchased from an agent.

A considerable number of witnesses testified in opposition to the granting of this application contending that applicant's plan to discontinue agency service and thereafter operate this as a non-agency station would seriously impair the service and materially add to their inconvenience in receiving and forwarding shipments, particularly with respect to less-than-carload movements. Furthermore, that the abandonment of agency service would take away the privilege of sending shipments "Collect" and that they would be deprived of receiving notice of arrival of shipments which they have enjoyed in the past. Most of these shippers, however, particularly those in business at Kenwood, stated they now receive a considerable portion of their shipments by truck. Particular criticism was raised to the fact that subsequent to the time the Northwestern Pacific took over the business from Southern Pacific Company at Kenwood (January 15, 1934), the freight rates were raised on carload shipments.

With respect to Western Union service at Kenwood, a number of witnesses who testified in opposition to the granting of this application pointed out that with the abandonment of this station the district would be deprived of Western Union service. In this connection we wish to announce that we could not reasonably require the railroad to maintain an agent if his primary duty was to provide telegraph service. As has been the practice at most railroad stations, the agent performs a dual duty in the way of railroad and telegraph service. If the railroad business decreases to a point where that class of service cannot reasonably justify agency service, we could not hold the railroad to the expense of maintaining an agency for the benefit of the telegraph company.

On the other hand, the telegraph company should meet its own obligations.

In general it does not appear reasonable to require a carrier to maintain an agency where the entire business enjoyed falls short of paying the agent's salary as a result of a condition where the shippers have diverted their business from the railroad to trucks. While we recognize that the earnings are not the sole test as to whether or not an agency should be maintained, if the public has the option of selecting one of two classes of transportation service and it is their choice to take truck service in preference to that of the railroad, they cannot expect the railroad to stand by operating at a substantial loss which must, in theory at least, be made up by other shippers on the system. In this case it is evident that the trucks have taken from the railroad the major portion of the freight shipments from the Kenwood district.

After carefully considering the record in this proceeding it is concluded that under present conditions this application should be granted.

O R D E R

A public hearing having been held, the Commission being apprised of the facts, a brief having been filed, and the matter being now ready for decision,

IT IS HEREBY ORDERED that Northwestern Pacific Railroad Company is hereby authorized to abandon the agency at its Kenwood Station, in Sonoma County, and to change its station records and tariffs accordingly, subject, however, to the following conditions:

- (1) Applicant shall continue said station as a non-agency station.
- (2) Applicant shall absorb all telephone charges on matters dealing with railroad business from the Kenwood district to the agent at Sonoma.
- (3) Applicant shall give not less than ten (10) days' notice to the public of said agency abandonment by posting notice at said station.
- (4) Applicant shall, within thirty (30) days thereafter, notify this Commission, in writing, of the abandonment of the facilities authorized herein and of its compliance with the conditions hereof.
- (5) The authorization herein granted shall lapse and become void if not exercised within one (1) year from the date hereof, unless further time is granted by subsequent order.

The authority herein granted shall become effective twenty (20) days from the date of this order.

Dated at San Francisco, California, this 26th day of March, 1935.

Leon C. Wood

W. A. Lee

M. B. Harris

W. H. Williams

Frank R. Evans

Commissioners.