

Decision No. 31318.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of NORTHWESTERN)
PACIFIC RAILROAD COMPANY for authority to close) Application
its agency at Larkspur, Marin County, California.) No. 21895

R. S. Myers, for applicant
Martinelli & Gardiner, by S. W. Gardiner, for the
City of Larkspur.
H. J. Short, for the Order of Railroad Telegraphers.

BY THE COMMISSION:

O P I N I O N

In this application Northwestern Pacific Railroad Company requests permission to abandon its agency at Larkspur, Marin County, and continue it as a non-agency station. By a supplement to the application, filed on May 28, 1938, Railway Express Agency, Inc., became a party to the proceeding and asked that it be authorized to abandon its agency at Larkspur.

A public hearing was held in this matter before Examiner Hall in Larkspur on June 1, 1938, at which time the matter was submitted upon the filing of briefs. Briefs have now been filed and the matter is now ready for decision.

At the hearing, applicant Railway Express Agency, Inc., asked that its application to abandon Larkspur Agency be dismissed as it had arranged with a local party to act as its agent in the event the railroad agency was closed.

Larkspur is located upon the electric interurban division of Northwestern Pacific Railroad Company. All passenger service is performed by electric trains running between San Rafael and Manor, on the one hand, and Sausalito on the other. At Sausalito connections are made with passenger ferry to and from San Francisco. Freight service in this area is performed by steam freight trains supplemented by Pacific Motor Trucking Company service.

The nearest agencies to Larkspur are San Anselmo, 3 miles north, and Sausalito, 7 miles south. Adjacent to Larkspur are the towns of Corte Madera, eight-tenths of a mile south, Kentfield, 1.3 miles north, and Ross 2.1 miles north. These latter locations are served by non-agency stations at present, although in the past agencies were maintained thereat. (1)

Applicant contends that the amount of business transacted at Larkspur does not require the continued maintenance of the agent. In support of this contention, applicant introduced Exhibits Nos. 1 and 2, purporting to show the revenues accruing to the Larkspur agency, and the expense of maintaining the agency. The following is a resume of the facts shown in these two exhibits:

Exhibit 1:

Revenue accruing to Northwestern Pacific Railroad Company.

	<u>Year Ending</u> <u>2/28/38</u>	<u>Year Ending</u> <u>2/28/37</u>
<u>Station Data:</u>		
Baggage handled	78	83
Number of way bills made	33	36
Number of freight bills made	921	1,435
Number of Western Union messages	508	No record
<u>Freight Received and Forwarded:</u>		
Carloads - Number of cars	67	62
Carload Revenue - Local*	\$ 188	\$ 124
" " - Interline	\$1,770	\$2,073
Less-than-Carload Revenue - Local*	\$ 260	\$ 281
" " " - Interline	\$ 106	\$ 117
<u>Passengers and Revenue:</u>		
Agency reports number of passengers (other than commutes)	3,121	3,293
Agency reports - Passenger Revenue (other than commutes)	\$ 715	\$ 983
Agency reports - Number of commute books sold	1,558	1,743
Agency reports - Commute revenue	\$6,884	\$8,638

(1) Abandonment of these agencies were authorized as follows:
 Corte Madera - Ap. No. 15863 - Decision No. 21751 - dated 11/5/29
 Kentfield " 15865 " 21753 -do-
 Ross " 15864 " 21752 -do-

Exhibit 2:

Northwestern Pacific Revenue, plus accruals to Southern Pacific Co.

	<u>Year Ending</u> <u>2/28/38</u>	<u>Year Ending</u> <u>2/28/37</u>
<u>Freight received and forwarded:</u>		
Carloads - cars	67	62
Carload Revenue - local*	\$ 698	\$ 885
" " - interline	\$2,043	\$1,638
L.C.L. Revenue - local*	\$ 425	\$ 436
" " - interline	\$ 82	\$ 35
<u>Passenger and Revenue:</u>		
Agency reports number of passengers (excluding commutes)	3,121	3,293
Agency reports - Passenger Revenue (excluding commutes)	\$ 318	\$ 998
Agency reports - Number of commute books sold	1,558	1,743
Agency reports - Commute revenue	\$6,884	\$8,638

* = For the items of local freight revenue, the amounts shown are one-half of the actual revenue, in order to allocate or credit to this station its proportion of the revenues derived therefrom.

Estimated annual station expense \$1,856 (Exhibits 1 and 2).

Applicant's witness pointed out that in his opinion agency service is not necessary for the purpose of handling carload business or for the selling of commute tickets, and that the agent is only useful for the handling of less-than-carload freight business and one-way and round-trip passenger tickets. The average revenue for this freight and passenger business amounts to \$92 per month (Exhibit No. 1) and \$110 per month, including accruals to Southern Pacific Company (Exhibit No. 2).

Applicant pointed out that when a patron desires a commute ticket, and no agent is available, he buys a one-way ticket from the train conductor and takes a receipt. Upon arrival at San Francisco or any other point where an agent is maintained, he purchases a commute ticket for this full amount less the amount paid for the one-way ticket. This involves two transactions in the procurement of a commute ticket. Exhibits Nos. 1 and 2 show that for the year ending February 28, 1938,

1,558 commute books were sold through the Larkspur agency, or an average of 130 per month, which results in an average monthly commute revenue of \$574.

In the event the application is granted, applicant proposes to maintain a railroad telephone at the station, through which the public may seek information or transact railroad business with the nearest open agency. Furthermore it is proposed to store all less-than-carload freight in the freight house under lock and appoint a local resident as custodian of the key, from whom it can be secured by receivers or shippers of freight in order to enter the freight house. Upon these grounds applicant urges that it be allowed to dispense with agency service at Larkspur.

The granting of the application was opposed by the City of Larkspur and the Order of Railroad Telegraphers on the ground that public convenience and necessity require railroad agency service at that location. Since the abandonment of the agencies at Corte Madera and Kentfield, it was shown that the entire community from Corte Madera to Kentfield, which includes Larkspur, makes use of the Larkspur agency for all classes of railroad service, including the purchase of single trip, round trip, commute and school tickets, receiving and paying charges on inbound freight, both carload and less-than-carload adjustment of freight charges and general railroad information.

All protesting witnesses contended that the handling of railroad business at Larkspur as a non-agency station would be inconvenient and unsatisfactory, and urged that a railroad agent was a necessity for the transaction of railroad business by the entire community.

Larkspur is located in about the center of the suburban area of Marin County, and has been served by the interurban electric passenger service and steam freight service of applicant for many

years. Larkspur and its adjacent communities have built up largely adjacent to the railroad.

There now remains but one open agency in the community between Sausalito and San Anselmo, and that is at Larkspur, and the record shows that it performs a useful service. The average revenue received for passenger tickets (excluding commute sales) and less-than-carload freight does not equal the average monthly expense, but including the revenue from commute book sales and carload freight, the revenues for the total more than offset the expense.

The method used by applicant in its sale of commute books by train conductors involves two transactions, as outlined above, and is more inconvenient to the patron than if he could go to the agency at Larkspur and purchase his commute book in one transaction.

The record of this Commission clearly shows that applicant's cost of operation exceeds its revenue, and it is imperative that economies be made wherever possible. In the instant case, however, the record indicates that public convenience and necessity of an open agency at Larkspur outweigh the economies derived from its closing. Applicant should look elsewhere to effect economies.

The application of both Northwestern Pacific Railroad Company and Railway Express Agency, Inc., will therefore be denied.

Inasmuch as the relief sought is denied, no ruling is necessary on the motion of protestant City of Larkspur to dismiss the application.

O R D E R

A public hearing having been held, briefs having been

filed, and the matter being duly submitted,

IT IS HEREBY ORDERED that Application No. 21895, and the supplement thereto, be and the same is hereby denied.

Dated at ~~San Francisco~~^{San Francisco}, California, this 3rd day of ~~September~~^{October}, 1938.

Raymond W. Brown
Leon Whitely
Walter P. DeWitt
Ray L. Riley

Commissioners