

Decision No. 31647

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN)
PACIFIC COMPANY, first, for permission to dis-)
continue the operation of passenger trains Nos.)
298 and 299 operating between Sacramento and) Application
Placerville, and second, for authority to dis-) No. 22223.
continue all passenger service on its so-called)
Placerville Branch between Brighton and Placer-)
ville.)

R. S. MYERS, for Applicant.

HARRY SEE, for Brotherhood of Railroad
Trainmen, Protestant.

J. W. LEE, Placerville, California.

BY THE COMMISSION:

O P I N I O N

Applicant, Southern Pacific Company, requests authority to discontinue trains Nos. 298 and 299 operating between Sacramento and Placerville, and, since these trains constitute the only passenger service now operated on its so-called Placerville Branch, to abandon all service on said branch.

A hearing in this matter was held before Examiner Edwards in Placerville on October 28, 1938, at which time the matter was submitted, except that the record, by stipulation, was kept open until November 10, 1938, to permit the receipt of any representation which the Board of Supervisors of El Dorado County, the City Council of Placerville, and the Placerville Chamber of Commerce might desire to make in this matter. A review of the evidence is presented herewith.

Applicant now operates a round trip passenger service between Sacramento and Placerville, a distance of approximately sixty miles. It was contended that this service failed by a wide

margin to meet its out-of-pocket costs; that it did not handle sufficient traffic to justify its continued operation; that a discontinuance of the service would not constitute an inconvenience to the travelling public inasmuch as a more frequent service was provided by a competing stage line; that the United States Mail now carried by these trains could be handled in the future by Star Route Service; and that the express and less-carload matter now handled by such trains could be handled by the Pacific Motor Trucking Company (hereinafter referred to as P.M.T.), which operates daily, except Sundays and holidays, between Sacramento and Placerville.

In support of such application, applicant introduced certain cost studies which showed the following:

OUT-OF-POCKET COST: (1)

	<u>Per Annum</u>	<u>Per Train Mile</u>
Total Out-of-pocket Cost of providing passenger train service.	\$29,692	67.79 cents

REVENUES:

Passenger	\$ 3,511	
Mail	5,954	
Express - Train Service	1,754	
Express - P.M.T. Service	958	
Milk and Cream	453	
Total Revenue	\$12,630	28.84 cents
Loss in Operation per annum (out-of-pocket cost less revenue)	\$17,062	38.95 cents

- (1) The out-of-pocket costs embrace wages of the train crew, fuel, motor car and locomotive repairs, engine house expense, train supplies, lubricants, passenger train car repairs, and the related Social Security, Unemployment and Railroad Retirement taxes.

Out of 129 days in the year, when a steam train was operated on this branch in lieu of a gas-electric train, there were 66 days when it handled freight cars between Sacramento and Folsom. The equivalent cost of a freight train between these two points, amounting to an estimated \$3,724 for the 66 days, was therefore deducted. The effect of this on the one hand was to eliminate all passenger train cost between Sacramento and Folsom, a distance of 22.3 miles, over the 66 days. On the other hand, there would result some increase in the passenger train cost between Folsom and Placerville by virtue of the added expense occasioned for steam train vs. gas-electric car operation, and for any overtime that might have been incurred. These latter considerations would not materially affect the showing, however.

The foregoing cost study credits the train operation with \$958 revenue derived from express handled by the P.M.T. service. Such treatment of the express revenue earned by the trucking service is in accordance with a stipulation by the Southern Pacific Company and the P.M.T. in Application No. 18727 to the effect that if a franchise for motor trucking service were granted by this Commission between Sacramento and Placerville, the operation of said trucking business would not be urged by the Southern Pacific Company as a reason for discontinuing any rail service between these points. (2)

The revenues credited to the train operation of \$12,630 amount to 42.5 per cent of the out-of-pocket cost of \$29,692 for providing service. The potential saving to applicant of \$17,062 (\$29,692 - \$12,630) assumes that all the existing revenue of \$12,630 will be lost to the carrier. This is not quite a true statement as applicant will continue to handle the express by the P.M.T., and the milk and cream by the P.M.T. or by the freight train which it operates daily, except Sundays, over this branch. If credit is taken for these items, aggregating \$3,165, the anticipated loss of revenue is reduced from \$12,630 to \$9,465, and the savings become \$20,227 (\$29,692 - \$9,465).

Protestant Harry See, representing the Brotherhood of Railroad Trainmen, urged that the Commission should have before it

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- (2) In the matter of crediting the truck revenue to the rail service the said stipulation reads in part as follows: ".... in so far as any freight, express or other traffic which may be hauled by truck is concerned, such traffic shall be deemed a part of the corresponding train or rail service and be credited to said train or rail service, and the fact of such hauling by truck shall never be urged as a reason for discontinuing any train service between said points." This stipulation was signed by the attorneys for applicant (P.M.T.) and the Southern Pacific Company, by the City Attorney of Placerville, and by the District Attorney of the County of El Dorado. In consideration of such stipulation, the said City and County withdrew their protest to the granting of application No. 18727.

the total earnings of the trains in question, i.e., that the receipts should include the revenue from the freight cars handled between Sacramento and Folsom and the additional car or so which the passenger train, at the operating department's convenience, occasionally hauled (two or three times a year) to Placerville. Applicant stated that this material was not available without special study. The Examiner stated that the question of whether this additional data would be required of applicant would be placed before the Commission for decision and, if it was found essential to the record, the carrier would be required to so furnish it, and the case reopened to receive it. It appears, in so far as costs and revenues are concerned, that the pertinent factors are the out-of-pocket costs to the carrier incurred solely because of the existence of the passenger service and the revenues derived from that service. With these two values, the amount of the burden, if any, on other traffic can be ascertained. As the testimony and exhibits introduced in the case and referred to hereinabove provide this information, the provision of the freight earnings in question is not necessary. It goes without saying, from the record, that the passenger deficits on this operation are being borne by the carrier's freight traffic, including, of course, that which moves over this branch or is fed by it to the main line. The question here at issue is not whether the freight traffic is bearing the passenger train losses, but whether such losses constitute a necessary and proper burden against said freight traffic. ⁽³⁾

(3) This Commission in previous decisions has held that the freight revenues were not the determining factor in deciding whether or not passenger service should be continued, the view being advanced that it does not appear to be in the public interest to require passenger trains to be operated over a line where a substantial out-of-pocket loss is incurred, which must be borne by the carrier or made up through other forms of revenue, and if the public can be provided with a reasonably adequate and efficient service by other means of transportation. See Decision No. 27612, in Application No. 19352, dated December 22, 1934, and Decision No. 26474, in Application No. 19000, dated October 30, 1933.

Considering the matter of public convenience and necessity, the record indicates that the volume of passenger traffic is small. Between January and August, 1938, inclusive, train No. 298 handled an average of seven passengers per trip between Sacramento and Placerville and intermediate points. Train No. 299 handled an average of six passengers in the reverse direction.

Applicant pointed out that if the train service were discontinued, the general area would continue to be served by either one or two round trips daily provided by the Pierce-Arrow Stages. An exception is that the busses of this company do not reach the points of Cothrin, Latrobe, Dugan, and Bullard where the railroad loops away from U. S. Highway No. 50.

The following table indicates the volume and extent of the bus service as compared to applicant's rail service.

: Southern :	:	:	: Southern:	:	:	: Southern:	:	
: Pierce-Arrow :	: Pacific :	:	: Pacific :	:	:	: Pierce-Arrow :	:	
: Stages :	: Train :	:	: Train :	:	:	: Stages :	:	
: No. 6 :	: No. 4 :	: No. 298 :	: Town :	: Miles :	: No. 299 :	: No. 1 :	: No. 3 :	
(Read Down)					(Read UP)			
4:45PM	10:30AM	4:00PM	Lv Sacramento	0	Ar 8:20AM	9:45AM	4:20PM	
s	x	s	Brighton	5.9	s	x	s	
s	x	s	Perkins	7.1	s	x	s	
s	x	s	Manlove	8.7	s	x	s	
s	x	s	Mayhew	10.1	s	x	s	
s	x	s	Routier	11.9	s	x	s	
s	x	s	Mills	12.8	s	x	s	
s	x	s	Mather	14.6	s	x	s	
s	x	s	Citrus	15.6	s	x	s	
s	x	s	Nimbus	18.6	s	x	s	
s	x	s	Alder Creek	19.5	s	x	s	
s	x	s	Natoma	21.3	s	x	s	
5:30PM	11:15AM	4:48PM	Folsom	22.3	7:30AM	9:00AM	3:35PM	
s	s	s	Nagle	22.5	s	s	s	
s	s	s	White Rock	29.2	s	s	s	
x	x	s	Cothrin	34.3	s	x	x	
x	x	s	Latrobe	37.3	s	x	x	
x	x	s	Dugan	42.6	s	x	x	
x	x	s	Bullard	42.9	s	x	x	
s	s	s	Shingle Spgs.	48.1	s	s	s	
s	x	s	El Dorado	53.9	s	s	x	
s	x	s	Diamond Spgs.	56.2	s	s	x	
6:30PM	12:10PM	6:35PM	Ar Placerville	59.9	6:00AM	8:00AM	2:45PM	

s = Served

x = Not served by bus

It will be noted that all points except those from Cothrin to Bullard inclusive are served by at least one bus schedule which requires for the through trip only one hour and 45 minutes as against two hours and 20 minutes or more for the train.

The principal points on this branch are Folsom, Shingle Springs, Diamond Springs, and Placerville, all of which are served by stage twice daily except Diamond Springs, which is served once daily. Of the points which will obtain no service, the record indicates that Latrobe is the largest with a settlement of approximately 20 houses; Dugan has one ranch house, and Bullard has but a sign post. The points on this rail loop are at the maximum about eight miles from U. S. Highway No. 50 and the bus route.

The following table shows a breakdown of the number of passengers travelling on the two trains in question during the 30-day period from September 21st to October 20th, 1938, inclusive. To provide a check of the number of local residents who would be discommoded by the discontinuance of the rail service, certain movements of Civilian Conservation Corps members to and from Placerville have been treated separately.

The points are grouped to show: (1) those which would continue to have two bus schedules daily; (2) those with one schedule daily; and (3), those which would have no direct service and whose residents would have to travel up to eight miles to reach U. S. Highway No. 50, where two schedules daily would be available.

Number of Passengers Originated
or Discharged daily at stations
shown. (4)

	Train #298	Train #299	Total
1. Points directly served by 2 bus schedules daily, i.e., Placer- ville, Folsom, etc.	2.2	2.0	4.2
2. Points directly served by 1 bus schedule daily, i.e., Brighton to Natoma, inclusive, and El Dorado and Shingle Springs	0.7	0.6	1.3
3. Points having no direct bus service, i.e., Cothrin to Bullard, inclusive, (distant up to 8 miles from U.S. Highway No. 50).	1.0	0.7	1.7
Total Regular Passengers	3.9	3.3	7.2
C.C.C. movements to and from Placer- ville (78 in and 23 out).	2.6	0.8	3.4
GRAND TOTAL	6.5	4.1	10.6

It appears that over the approximate 60-mile haul (59.9 miles), the total number of regular passengers accommodated (C.C.C. movements excluded), averaged 3.9 on train No. 298 and 3.3 on train No. 299, or 7.2 for both trains. If the trains are discontinued, 4.2 of these passengers will have twice daily service by bus, 1.3 will have a single round trip service approximating the rail schedule, and 1.7 passengers will have no direct service but will have to travel varying distances of up to 8 miles to reach U. S. Highway No. 50, where twice daily bus service is available. If it be assumed that certain passengers make a round trip, the number of individuals affected is naturally somewhat less.

A connecting road loops from the main highway down through Cothrin, Bullard, etc. back to a second junction with the main highway. It appears from the record that the area served by these stations

(4) Passengers travelling between local points on the branch are credited to that group of stations having the least favorable bus service.

and flag stops is agricultural, with few settlements near the stations, and that most of the families in this district own cars.

An analysis of the record further indicates that an average of approximately 1.6 passengers per day (other than C.C.C. movements) enter Placerville by train and 1.3 per day leave by train. An average of 1.3 passengers per day ride each train the approximate 60 miles from Sacramento to Placerville. Considering the length of haul, the patronage on this train is extremely low.

Applicant states that Southern Pacific Company will sell interline tickets between all points on the Placerville branch served by the Pierce-Arrow stages and any and all rail points beyond Sacramento; that passengers will continue to enjoy all existing through rates; and that as a result of the discontinuance of the passenger train service, the names of Placerville and intermediate points will not be removed from Southern Pacific tariffs and time schedules. No increase over the present rates from points on this branch to points on the Southern Pacific beyond Sacramento will result because of the withdrawal of the passenger train service. Southern Pacific tickets, however, will not be sold between Sacramento and Placerville. Tickets for such local movements will be sold only by the Pierce-Arrow stage agents. The Southern Pacific fares, averaging 2 cents per mile, are lower than those of the stage company. ⁽⁵⁾ Pierce-Arrow stages

- (5) Applicant's application, as originally filed with the Commission, stated that it would be arranged that the Pierce-Arrow stages would honor Southern Pacific Company tickets. This was orally amended during the hearing to the effect that only Pierce-Arrow stage tickets would be honored for local movements between Sacramento and Placerville and intermediate points.

A comparison of Southern Pacific and Pierce-Arrow passenger fares from Sacramento to certain of the points served is as follows:

	SOUTHERN PACIFIC		PIERCE-ARROW STAGES	
	One Way	Round Trip	One Way	Round Trip
Citrus	\$.34	\$.62	\$.55	\$.85
Folsom	.44	.80	.75	1.15
Shingle Springs	.99	1.79	1.50	2.25
Diamond Springs	1.14	2.06	1.50	2.25
Placerville	1.19	2.15	1.50	2.25

will call at the Southern Pacific depots at Sacramento and Folsom. At other points, such as Diamond Springs and Placerville, the stages will depart from their agency at the center of the town.

Concerning the matter of the United States mail, the record indicates that the superintendent of the U. S. Railway Mail service has agreed to provide equal or better service through the establishment of an additional Star Route serving all post offices that the Southern Pacific now serves.

The express business now handled in part by the P.M.T. and partly by the train would be handled entirely by the P.M.T. This would not affect those stations which are off U. S. Highway No. 50 as no express agency is maintained at these points.

The fourth source of traffic to be affected is the milk and cream. All stations now served by the train will continue to be served by the P.M.T. with the exception of the points of Cothrin, Latrobe, Dugan, and Bullard. At these latter points applicant offers two options to the milk and cream shippers; first, that of bringing their cans as at present to the carrier's depots where they will be left in sight to be picked up by the daily freight train; or secondly, that of transporting them to U. S. Highway No. 50 for pick-up by the P.M.T. trucks.

Applicant testified that the milk and cream shipments move principally to Bay District points and that inasmuch as the cream is all churning cream, the additional time in transit occasioned by the freight train schedule is of little significance since the cream is usually soured before being manufactured. The cream, if moved by freight trains under the present freight schedules, would be picked up at Latrobe and such points between 10:00 A.M. and noon, and delivered in San Francisco the following morning. Concerning those railroad points which the P.M.T. trucks would not serve, evidence in the record

indicates that in the year ended July 31, 1938, a total of 585 cans of cream were handled from these points, or an average of between 2 and 3 cans per day during the shipping season. It also appeared that most of the cream shippers ship but two or three times a week.

Seven witnesses took the stand in opposition to the withdrawal of the passenger train service. Issues raised by such witnesses were that if the freight trains were discontinued there would be no service by which the milk and cream could be handled; that the freight train schedules frequently departed from their time schedules, leaving cream shippers in doubt as to the time of arrival or departure of the freight train, with the result that the cream shipments, if left in the sun awaiting a much delayed train, would be subject to excessive souring and would realize a somewhat lower price; that the passenger train now stops at certain unscheduled crossings as an accommodation to certain shippers who would otherwise have to take their cream to the nearest station, doubt being expressed that the freight train would continue to provide this service; that if the shipper used the P.M.T. service he would have to use his car to transport the cream from the farm to the P.M.T. route (up to 8 miles); that the abandonment of the passenger train service would be a set-back to the county, the population of which has been rapidly increasing; that if competing stage service were also abandoned, the district would be left without any service; that the round trip connections from Brighton, Natoma, and intermediate points to Sacramento by stage were poor; that the retention of competition between the train and the stage was desirable; that the present service was not conducive to a development of new traffic inasmuch as the motor car operation was not as comfortable as the steam train, the morning schedule being too early, the route long, and the average speed maintained on the schedule slow;⁽⁶⁾ that

(6) The average speed of train #298 is 22.82 miles per hour and that of train #299 is 25.92 miles per hour, including stops. The company has set a 25 m.p.h. limitation between Folsom and Placerville. This latter is an area of many curves and grades. The morning schedule out of Placerville was established to permit of an early connection through to San Francisco.

the type of equipment operated by the Pierce-Arrow stages, although of ample size, was something less than first-class; and that the existing two express deliveries per day provided by the P.M.T. in the morning and by the train in the evening were better than the single morning delivery which would hereafter be provided by applicant.

A representative of the Diamond Springs Lime Company, located at Diamond Springs, testified that while his concern was unaffected by the removal of the passenger service, it was concerned as to the retention of the express, mail, and telegraphic services and the continuance of the agency at Diamond Springs. The witness expressed no concern as to whether the express was received by P.M.T. or train, but pointed out that the evening train was of advantage when emergencies arose and it was desired to receive parts to be used in plant repairs made at night. It may be noted here that the carrier's application does not affect the retention of the agency and telegraph service at this point nor the continued provision of the United States mail service.

Two local residents testified that in their belief certain grants of land to the applicant for right of way purposes on this branch contained a condition to the effect that the carrier must operate passenger service in perpetuity. The deeds in question were not available to the record but the statement was made that search was being made for them and, when found, they would be presented to the Commission if the latter deemed them pertinent to the case. In similar cases this Commission has found that such contracts are not material in view of the fact that they relate to an agreement as between a railroad and an individual and not to the issue of public convenience and necessity upon which the Commission's decision must rest. (7)

(7) In Town of Fairfield v. Southern Pacific Company, Decision No. 498, Case No. 263, dated March 12, 1913, (2 CRC 292), this Commission stated: "...The weight of authority is that such contracts are not void per se, and are enforceable so long as they do not conflict and interfere with the duty of the carriers to the public, but that where the rights of the public conflict with those of the contracting party under his contract, the latter must yield and such contracts must be deemed to have been made with reference to such contingency.."

It developed at the hearing that the Board of Supervisors of Eldorado County, the City Council of Placerville, and the Chamber of Commerce at Placerville desired an opportunity to further consider the application and subsequently advise the Commission of their positions in this matter. With this understanding the record was held open until November 10, 1938, to permit of the receipt of communications from these groups. It was also stipulated that applicant Southern Pacific Company would have an opportunity to appear before these respective boards at the time of their consideration of the matter. The record indicates that no representation either for or against the application was subsequently made by the Board of Supervisors of Eldorado County, or the Chamber of Commerce. The City of Placerville, however, pursuant to a resolution adopted by the City Council, opposed the application and requested a further hearing in the matter. In support of the latter, it was stated that the city had not received formal notice of said hearing, although learning of it shortly before the date prescribed, and that it was desired to present evidence and cross-examine the witnesses who had testified at the hearing on October 28th. While it was developed at the hearing that the Board of Supervisors of Eldorado County had not been notified of the hearing, the files of this Commission indicate that the City Council, the Chamber of Commerce, and certain other interests were duly notified under date of October 11, 1938, and, in addition, that public notices were posted at all stations and trains affected ten days prior to the date of the hearing. Inasmuch as the applicant, City of Placerville, does not state the nature of the evidence it now desires to present nor the purpose of its additional cross-examination, and, since the Mayor of Placerville participated in the hearing, testifying in opposition to the carrier's application, and the data and testimony introduced by the carrier were subjected to a thorough cross-examination, it is doubtful what purpose would now be served by a reopening of the case.

The application for a further hearing is therefore denied.

CONCLUSION:

As previously noted herein, this Commission has held in related cases that it would not appear to be in public interest to require passenger trains to be operated over a line where substantial out-of-pocket losses are incurred which must be borne by the carrier or made up through other forms of revenue, and if the public can be provided with reasonably adequate and efficient service by other means of transportation. Considering first the question of losses, it appears clear from the record that the revenue derived from the operation of the passenger service on the Placerville Branch amounts to something less than half of the out-of-pocket costs of providing the service.

Concerning the adequacy of other means of transportation, it appears that the Pierce-Arrow stages provide most of the points with a service which apparently is as good/^{as} or better than that offered by the applicant's trains.

The fact that over a 60-mile train movement only 3.9 passengers (excluding Civilian Conservation Corps members) use the inbound train, and 3.3 the outbound train, would indicate relatively little inconvenience upon its discontinuance. Over 75 per cent of these passengers will continue to have direct bus service and the balance will be indirectly served. The mail service to the rail points will be unaffected, inasmuch as a second Star Route will be added in this district to provide a service identical with or better than that now provided by the railroad. Express service will be conducted by the P.M.T. which will provide morning delivery. While the community is naturally desirous of receiving as many express services as possible, the elimination of the present express service arriving Placerville at 6:35 P.M. and permitting of only a very late delivery to business

houses should not be serious. The normal express movement to such communities is inbound from the larger distribution centers with an overnight haul and a next morning delivery. This service will be unaffected.

The complaint of cream shippers in the vicinity of Latrobe is principally directed toward the inconvenience of moving the cans to the P.M.T. route, or to the potential difficulties arising from the uncertain time of the freight train schedule. Inasmuch as the station points involved will remain in the tariff of Southern Pacific Company it is the obligation of this carrier to provide these points with satisfactory service on such movements. Carrier has offered to do this by freight train, stating that such service is being satisfactorily provided elsewhere on its system. The total volume of shipments, all outbound, is not large, averaging two or three cans per day during the shipping season. The carrier should be able to accommodate this movement. If the Southern Pacific fails to maintain its obligation to provide this service, to which it is committed, complaint may properly be lodged with this Commission. In any event steps should be taken to acquaint the shippers involved of the approximate schedules of the freight train.

Suggestions were made that the carrier relinquish its gas-electric car operation and return to its former steam train operation thus providing more comfortable accommodations and faster service. However, as the record indicates that the crew cost for steam train operation is practically double that for the gas-electric operation, it is doubtful if this would reduce the losses.

It is inevitable and natural that the interests making representation in this case should be reluctant to see the discontinuance of rail passenger service. Nevertheless this case is

(8)

typical of many brought before this Commission in recent years. The record is invariably the same, namely, the disappearance of the short haul passenger traffic, presumably to the automobile, and the incurrence of out-of-pocket losses which must be borne by other traffic. The short line carriers were among the first to succumb to the economics of this situation and most of them have long since discontinued their passenger services. With these carriers the cause and effect relationship between curtailed revenues on the one hand and curtailed operations on the other hand was simple and direct. With the larger carriers in the State, the effect of such losses was neither so pressing nor so apparent, yet it existed nevertheless and must inevitably have been reflected in the quality of the service rendered or in the rates assessed against other forms of traffic.

(8) See the following:

1. Decision No. 26474, dated October 30, 1933, in Appl. No. 19000, re discontinuance of passenger service, Westwood Branch of Southern Pacific Company.
2. Decision No. 25800 dated April 3, 1933, in Appl. No. 18741, re discontinuance of passenger service, Ione Branch, Southern Pacific Company.
3. Decision No. 27612, dated December 22, 1934, in Appl. No. 19352, re discontinuance of passenger service, Santa Paula Branch, Southern Pacific Company.
4. Decision No. 31546, dated December 12, 1938, in Appl. No. 22307, re discontinuance of passenger service, Oakdale Branch, Southern Pacific Company.
5. Decision No. 31543, dated December 12, 1938, in Appl. No. 22335, re discontinuance of passenger service, Colusa Branch, Southern Pacific Company.
6. Decision No. 25440, dated December 10, 1932, in Appl. No. 18515, re discontinuance of mixed train service between Ione and Martell, Amador Central Railroad Co.

In this latter connection it might be noted that applicant's recent petition to this Commission for a blanket 15 per cent increase in freight rates within the State is indicative of the fact that this traffic is not in a position to lightly bear burdens of the nature of those here in question. (9)

Upon careful consideration of all the facts of evidence in this case, and particularly the heavy out-of-pocket losses being incurred, the extremely light patronage of the service, and the existence of equivalent services for the handling of passengers, express, less-carload traffic, and milk and cream, the conclusion is reached that public convenience and necessity do not require the continuance of this passenger service on the Placerville Branch and that the application should be granted.

O R D E R

Public hearing having been held in the above-entitled proceeding and the matter being now under submission and ready for decision,

IT IS HEREBY ORDERED that Southern Pacific Company be authorized to discontinue its trains Nos. 298 and 299 operating between Sacramento and Placerville, and to abandon all service on its so-called Placerville Branch, subject, however, to the following conditions:

1. On not less than ten (10) days' notice to this Commission and the public, applicant shall make such amendments to its local and joint tariffs on file with this Commission as are necessary to conform to its application.
2. The public shall be given not less than ten (10) days' advance notice of the proposed discontinuance of passenger service by posting notices in the passenger trains and at all stations affected.

(9) Decision No. 30784, dated April 11, 1938, in Application No. 21603.

3. Applicant shall advise this Commission within thirty (30) days thereafter of the discontinuance of the said passenger service authorized herein.
4. 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 effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, this 9th day of January 1939.

Robert W. [unclear]
Frank [unclear]
Ray H. [unclear]
[unclear]
Justus F. Coomer
Commissioners