

Decision No. 31203

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
Ceres Station, County of Stanislaus,
State of California, during the approxi-
mate period February 1st to July 31st,
inclusive, of each year.

ORIGINAL

Application No. 21975.

In the Matter of the Application of the
Railway Express Agency, Incorporated, for
authority to close its agency at Ceres,
California.

Application No. 22020.

R. S. MYERS, for applicants.

E. H. ZION, for City of Ceres and Ceres Chamber of
Commerce.

H. J. SHORT, for Order of Railroad Telegraphers.

BY THE COMMISSION:

O P I N I O N

In Application No. 21975, Southern Pacific Company requests permission to close its agency at Ceres Station, Stanislaus County, California, during the approximate period from February 1st to July 31st, inclusive, each year. In Application No. 22020, as amended, Railway Express Agency, Inc., requests like permission to close its agency at Ceres.

A public hearing was held in this matter before Examiner Hall in Ceres on June 22, 1938.

The station of Ceres is located on the San Joaquin Valley main line of Southern Pacific Company and approximately four miles south of the City of Modesto, the county seat of Stanislaus County. The territory tributary to Ceres is agricultural in nature. The cashier of the Bank of Ceres estimates the population within a radius of three miles from Ceres is from 3,000 to 4,000 people.

Subsequent to the hearing, Railway Express Agency, Inc., requested in writing that Application No. 22020 be dismissed as it

has successfully secured a local agent to handle its business at Ceres.

Prior to the filing of its application, Southern Pacific Company filed notice, in accordance with the provisions of the Commission's General Order No. 36-B, that it proposed to close this agency on April 30th, 1938, and thereafter keep the agency open for the approximate period from August 1st to January 31st, inclusive.

The agency was therefore closed on April 30th, and the station thereafter maintained as a non-agency point.

Southern Pacific Company contends that there is insufficient business transacted at Ceres Station between February 1st and July 31st to justify the cost of maintaining the agent.

In support of this position, Exhibit No. 1 was filed by applicant Southern Pacific Company showing revenues and expenses during the period the agency is proposed to be closed.

Following is a statement of the pertinent facts shown on Exhibit No. 1:

I t e m	A		B	
	:Average:		:Average:	
	Six	per	Six	per
	Months	Month	Months	Month
Number of waybills made	100	17	101	17
Number of freight bills made	626	104	725	121
<u>Revenue</u>				
Carload revenue-local*	\$ 726	\$ 121	\$ 351	\$ 59
Carload revenue-interline	1,263	211	1,347	225
L.C.L. revenue-local*	441	73	468	78
L.C.L. revenue-interline	160	27	94	16
Passenger revenue	150	25	350	58
<u>Expenses</u>				
Total station expense	\$1,028	\$ 171	\$1,028	\$ 171
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L. C. L. plus passenger revenue	\$ 751	\$ 125	\$ 912	\$ 152

A = Months of February, March, April, 1938, and May, June, July, 1937.

B = Months of February, March, April, 1937, and May, June, July, 1936.

* One-half of actual revenue

It will be noted that one-half of the carload and less-than-carload local revenue is allocated to Ceres. This is done in order to allocate or credit to this station its proportion of the revenue derived therefrom.

Applicant bases its case upon the above facts which show that the average monthly expense at this station amounts to more than the revenue derived from its less-than-carload freight revenue and its passenger revenue during the period involved.

Applicant further contends that the service of an agent is not essential to the handling of less-than-carload shipments at Ceres as a large proportion of this business is handled through the store door pick-up and delivery service of Pacific Motor Transport Company, an integral part of Southern Pacific Company's service in that area. Furthermore, such shipments that are not handled by Pacific Motor Transport Company service will be placed under lock in the freight house and a custodian of the key appointed. Applicant also proposes to make the railroad telephone available for the transaction, by patrons, of railroad business with the nearest agency which is located at Modesto. Applicant also showed that passenger tickets can be purchased from the conductors on its passenger trains without extra charge or serious inconvenience to the patron.

The granting of the application was opposed by the City of Ceres, the Ceres Chamber of Commerce and the Order of Railroad Telegraphers. Protestants contend that (1) the patrons of applicant, Southern Pacific Company, will not be served in a satisfactory manner, (2) that the handling of business through a custodian and telephone would be unsatisfactory.

A considerable number of residents of the area, including City, Chamber of Commerce, and school officials, testified that they made use of the agency facilities at Ceres, particularly with respect to the receiving of express matters. It was their opinion that

sufficient business could be developed by the railroad to produce enough revenue to justify the agency the year round. This opinion was based on the fact that Ceres is surrounded by diversified farms ranging in size from a few acres to 360 acres and their owners or operators are users or potential users of the railroad. Their testimony also shows that much use of the Railroad facilities at Modesto (approximately four miles distant) is being used by patrons from the Ceres area.

A review of the record leads us to the conclusion that the railroad should do its utmost to maintain an agent at Ceres throughout the year, but, on the other hand, it is shown that due to the nearness of Modesto, much of the Ceres business is conducted at this point, and the withdrawal of the agent at Ceres during the period proposed will not seriously inconvenience its patrons, particularly with the dismissal of Railway Express Agency's application and the continued operation of Pacific Motor Transport Company's store-door pick-up and delivery service. It is understood, however, that the granting of Application No. 21975, allowing Southern Pacific Company to maintain a seasonal agency at Ceres, is without prejudice to the community of Ceres, and, if conditions justify, the matter will be reopened for further consideration. Therefore, Application No. 21975 will be granted and Application No. 22020 will be dismissed.

O R D E R

A public hearing having been held and the matter being under submission,

IT IS HEREBY ORDERED that Southern Pacific Company is hereby authorized to abandon its agency at its station of Ceres, Stanislaus County, from approximately February 1st each year to approximately July 31st each year, and to change its station

records and tariffs accordingly, subject to the following conditions:

- (1) During the above period said station shall be maintained as a non-agency station.
- (2) During the non-agency period, applicant shall store less-than-carload shipments in freight house under lock and appoint a custodian of the key conveniently located in order that patrons may receive or deliver less-than-carload shipments at said freight house.
- (3) Applicant shall make available to patrons railroad telephone service.
- (4) Applicant shall, within thirty (30) days thereafter, notify this Commission in writing of the abandonment of said facilities and give this Commission ten (10) days' advance notice of their reestablishment.
- (5) The Commission reserves the right to make such further orders in this matter as to it may seem right and proper, and to revoke its permission if, in its judgment, public convenience and necessity demand such action.
- (6) The authority 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.

IT IS HEREBY FURTHER ORDERED that Application No. 22020 is dismissed without prejudice.

The effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 20th day of January, 1939.

Robert W. Byrd
James C. Smith
Chas. E. Perry
H. B. M.
Justice L. Coe
Commissioners