

Decision No. 3220.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN PACIFIC COMPANY, first, for )  
permission to discontinue the operation )  
of passenger train No. 259-258-251, )  
operating between San Jose and Oakland )  
Pier, and train No. 252, operating be- )  
tween Oakland Pier and San Jose, and )  
second, to discontinue all regular pas- )  
senger service between Newark and Niles )  
via Centerville, and third, to dis- )  
continue all regular passenger service )  
between Niles and San Jose via Milpitas.)

Application No. 23211.

DEFERRED

R. S. MEERS, for Applicant.  
ALBERT L. POE, for City of San Leandro, Interested Party.  
C. W. WHITE, for City of Hayward, Interested Party.  
JOHN KIMBER, in propria persona, Protestant.  
HARRY CESARI, for commuters of Niles, Protestants.  
ALFRED DEL CARLO, for Peter Catanich, Protestant.

BY THE COMMISSION:

O P I N I O N

Southern Pacific Company, a corporation, has filed application for an order authorizing the discontinuance of steam passenger Trains Nos. 259-258-251 and 252 operating between Oakland Pier and San Jose and the discontinuance of all regular scheduled passenger service between Newark and Niles via Centerville, and between Niles and San Jose via Milpitas.

Public hearing on the application was held before Examiner Differding at Hayward, January 26, 1940, at which time evidence was received and the matter submitted.

The record shows that the applicant relies upon the small amount of patronage from the two trains proposed to be discontinued and the comparatively large operating loss caused by the operation of said trains as justification for the authority sought herein, which, if granted, it is contended would not constitute an inconvenience to the public affected thereby because of the existence of

other ample and convenient means of transportation between the same points served by said trains.

Applicant now operates two schedules via Newark and one schedule via Niles daily from Oakland Pier to San Jose; two schedules via Newark and one schedule via Newark, Centerville, and Niles daily from San Jose to Oakland Pier, with another schedule to Oakland Pier connecting at Niles with Peerless Stage System from San Jose; and two schedules each way daily between Niles and Oakland Pier. All of the schedules referred to herein as arriving or departing Oakland Pier make San Francisco boat connections. It is proposed that Train No. 259-258-251, which leaves San Jose at 5:30 a.m., operating via Newark, Centerville, and Niles with arrival at Oakland Pier at 7:25 a.m., and Train No. 252, which leaves Oakland Pier at 5:48 p.m., operating via Niles and Milpitas with arrival at San Jose at 7:55 p.m., be discontinued. As applicant does not presently render any regular scheduled passenger train service from San Jose to Niles via Milpitas and from Niles to Newark via Centerville, the proposed discontinuance of these two trains would result in withdrawing all of the regular scheduled passenger service in both directions between said points.

Exhibits put into the record by applicant show the direct out-of-pocket costs of operating Trains Nos. 252 and 259-258-251 are \$36,925 per annum<sup>(1)</sup>, while the gross revenue derived from such operation is \$8,661 per annum<sup>(2)</sup>. Computed on a train-mile basis, this would indicate a direct out-of-pocket loss of \$0.8372 per train-mile.

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(1) Exhibit No. 3. Both trains operated a total of 33,762 train-miles per annum. Cost per train-mile \$1.0937.

(2) Exhibit No. 2. Revenue from passengers, \$4,449; mail, \$1,158; express, \$2,845; milk and cream, \$209; total \$8,661. Revenue per train-mile \$0.2565.

Express, milk and cream traffic now carried by the two trains between the points involved would be handled either on other scheduled passenger trains or on the highway common carrier motor trucks now operated by the applicant's wholly-owned subsidiary, the Pacific Motor Trucking Co., without loss of revenue from such traffic. Service from and to all points on this class of traffic will at least be maintained on the same basis as at present should the two trains be discontinued, according to a survey made by applicant, with a more convenient and expeditious service rendered at some of the points through the use of motor trucks. Mail traffic now handled by the two trains and the revenue therefrom would be lost to applicant as it appears the Post Office Department will substitute motor vehicles on a so-called Star Route basis if and when said trains are discontinued. Such substitution it is claimed would equal, and in some cases improve, existing mail delivery service at points served by the two trains.

Applicant's Exhibit No. 4 depicts the result of an origin and destination passenger traffic check taken on each of the two trains during a 31-day period from December 22, 1939 to January 21, 1940. It shows that Train No. 252 carried an average of 19.7 passengers per trip, of which 11.7 were local and 8 were originating at or destined to points beyond the train terminal. Train No. 259-258-251 carried an average of 12.4 passengers per trip, of which 10.2 were local and 2.2 were originating at or destined to points beyond the train terminal.

In addition to the regular scheduled passenger trains now operated by the applicant, other than those two trains proposed to be discontinued, passenger service on regular schedules is also operated by four other carriers between Oakland (including San Francisco) and San Jose or points intermediate thereto. The Western Pacific Railroad Company operates one schedule each way daily between Oakland Pier and Niles serving all intermediate points. Peerless Stages System operates 18 schedules daily from Oakland to San Jose

and 19 schedules daily in the reverse direction with at least five schedules each way serving all points on both routes of the applicant, except Santa Clara, Agnew and Alviso. These three communities are served by the San Jose-Agnew-Alviso Stages operating six schedules daily between San Jose and Alviso via Agnew. The Key System operates fast and frequent motor bus service between San Francisco and Hayward via San Leandro.

It is stated by the passenger traffic witness for applicant that the principal reason for the decline in number of passengers formerly carried by Trains Nos. 252 and 259-258-251 is the diversion of practically all commuter traffic at Hayward and San Leandro to the Key System transbay motor bus service. Applicant could not hold this business in competition with the faster and more frequent bus schedules at San Leandro, and which is supplemented by the factor of lower fares at Hayward.<sup>(3)</sup>

Other commuter traffic carried on the two trains originates at Niles and Decoto.<sup>(4)</sup> These passengers now have available a combination of services by other carriers in the field comparable to the service of the trains proposed to be discon-

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(3) The record shows applicant carried 5 commuters between San Francisco and Hayward and two commuters between San Francisco and San Leandro for each of the last three months of 1939.

(4) The record shows applicant carried two commuters between San Francisco and Niles during October, 1939, and four commuters for the months of November and December, 1939. It appears one or two employees of applicant also commuted between said points for these three months. Between Decoto and San Francisco applicant carried one commuter during each of these three months.

tinued.<sup>(5)</sup> The combination of fares over the cheapest route of carriers other than the applicant will be higher, however, than the applicant's present commute fare.<sup>(6)</sup>

The granting of the application was protested by three parties. Mr. John Kimber, operating a poultry breeding farm at Niles and shipping an average of 50 express shipments of baby chicks per week from Niles to various points, testified that in his opinion applicant should increase the number of express service schedules presently available rather than attempt to effect decreases. The evidence indicates that the witness has never used the two trains proposed to be discontinued for his express shipments, but used other schedules operated by applicant.

Harry Cesari, a commuter resident of Niles, and also speaking for the three other commuters at that point, testified that the two trains involved herein provide the only through service by a

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(5) Applicant does not handle any commuter traffic at points located south of Niles. Exhibit No. 6 shows commuter services available by other carriers comparable to that of applicant's two trains. This is indicated by the following schedules:

<u>Service</u>	<u>San Francisco</u>	<u>Melrose</u>	<u>Hayward</u>	<u>Decoto</u>	<u>Niles</u>
Applicant's Train No. 252	Lv.5:20PM		Ar.6:28PM	Ar.6:40PM	Ar.6:45PM
Interurban Elec.Ry.Co.	Lv.5:22PM	Ar.6:02PM			
Key System Motor Bus	Lv.5:22PM		Ar.6:17PM		
Peerless Stages Sys.		Lv.6:05PM	Ar.6:25PM	Ar.6:34PM	Ar.6:39PM
	<u>Niles</u>	<u>Decoto</u>	<u>Hayward</u>	<u>Melrose</u>	<u>San Francisco</u>
Applicant's Train No. 259-258-251	Lv.6:17AM	Ar.6:22AM	Ar.6:35AM		Ar.7:50AM
Peerless Stages Sys.	Lv.6:46AM	Ar.6:51AM	Ar.7:00AM	Ar.7:20AM	
Key Sys.Mtr.Bus			Lv.7:05AM		Ar.8:00AM
I.E.Ry.Co.				Lv.7:22AM	Ar.7:57AM

(6) Applicant's commute fare between San Francisco and Niles, for example, is \$11.22, while the combination fare of Peerless Stages System and Interurban Electric Railway Company is \$13.75.

single carrier and discontinuance thereof would be an inconvenience to them at added cost.

The third protestant, Alfred Del Carlo, testified with respect to the curtailment of passenger service at Drawbridge, a point located between Newark and Alviso. It appears from the testimony offered by this witness that he understood certain trains now stopping at Drawbridge on flag during weekends, other than those trains proposed to be discontinued, were also included within the scope of the instant application.

The cities of San Leandro and Hayward took no position relative to the granting of this application.

The record clearly shows that the discontinuance of the two trains will result in no hardship or inconvenience to the travelling public of such character as to justify continued operation thereof. Passenger patrons of the two trains can, with little or no inconvenience, be adequately served by the schedules presently operated by other carriers either by rail or bus, or a combination of both types of transportation. What is here said with respect to passenger service applies with equal force to the transportation of baggage and express.

From the record herein we are of the opinion, and hereby conclude and find as a fact, that public convenience and necessity, as evidenced by the limited use of this service, does not require its continuance. This conclusion and finding is also supported by the amount of revenue received from the service, in comparison to operating costs, which places an undue and unwarranted burden on applicant and the patrons of its other services in the continued operation of the unprofitable passenger train service herein proposed to be discontinued. The application will therefore be granted.

O R D E R

The Southern Pacific Company having filed the above-mentioned application, a public hearing having been held, the matter having been duly submitted,

IT IS HEREBY ORDERED that permission and authority be, and the same is, hereby granted to Southern Pacific Company to:

- I Discontinue the operation of steam passenger Train No. 259-258-251, operating between San Jose and Oakland Pier, and Train No. 252 operating between Oakland Pier and San Jose;
- II Discontinue all regular scheduled passenger service between Newark and Niles via Centerville; and
- III Discontinue all regular scheduled passenger service between Niles and San Jose via Milpitas, subject to the following conditions:
  - (1) Applicant shall afford the public at least ten (10) days' advance notice of such discontinuance of service by posting notice thereof in trains and stations affected thereby.
  - (2) Applicant shall within thirty (30) days thereafter notify the Commission in writing of the discontinuance of the service herein authorized and of its compliance with conditions hereof.
  - (3) The authorization herein granted shall lapse and become void if not exercised within one year from the date hereof unless further time is granted by subsequent order.

The effective date of this order shall be ten (10) days from the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of February, 1940.

Ray L. Rice  
William B. Brown  
Robert A. Brown  
Arthur J. Brown  
Arthur J. Brown  
Commissioners.