

Decision No. 32815

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 its agency at)	Application No. 22881
Rodeo, County of Contra Costa, State)	
of California, and to maintain the)	
same as a non-agency station.)	

ORIGINAL

R. S. MYERS, for Applicant.

N. D. PRITCHETT and D. W. DEAN, for Order of Railroad Telegraphers.

FRANCIS W. COLLINS, for Rodeo Townsite Co. and certain residents of Rodeo.

JOSEPH LONGO, for Fire Commission of Rodeo.

BY THE COMMISSION:

O P I N I O N

On July 25, 1939, applicant Southern Pacific Company petitioned this Commission for authority to close its agency at Rodeo, Contra Costa County, California, and to maintain said station on a non-agency basis.

A public hearing was held in the matter before Examiner Jenkins in Rodeo on September 26, 1939.

Rodeo station is located on the Port Costa main line of applicant at a point 2.5 miles east of Pinole and 0.8 miles west of Oleum, the latter agency being located on private property of the Union Oil Company. Both Rodeo and Pinole are situated on the main highway connecting San Francisco and the East Bay cities with Sacramento and points north, and with Martinez and points east.

At the present time the population of Rodeo is estimated to be approximately 3,000 persons. There are no large industries located in Rodeo or in its immediate vicinity. However, there are several industries located at points north and south thereof along the main highway and along the rail line of applicant that employ a number of persons, many of whom reside in Rodeo. For this reason by

far the greater portion of freight moves inbound to Rodeo as a consuming center, with little movement outbound. During the period of years from 1930 to date the population of Rodeo has doubled, and the record indicates that considerable building is now under way. In justification of its contention that agency abandonment should be authorized, applicant submitted evidence to show the freight, passenger, and other business conducted through the Rodeo agency for the 12-month period ending June 30, 1938, and a similar period ending June 30, 1939. On the basis of allocating one-half of local carload and less-than-carload revenue to the Rodeo station, the financial showing as presented by applicant was as follows:

	<u>Amount</u>	<u>Average Per Month</u>
Station Expense	\$1,925	\$160
L. C. L. Revenue	489	41
Ticket Revenue	2,210	184
Total Revenue from L.C.L. Freight and Ticket Sales	2,699	225
Excess of Revenue over Expense	774	65

Station expense in the above statement represents only those items of direct cost involved in connection with maintaining the agency and which could be dispensed with upon abandonment thereof.

Despite the fact that there has been a 100 per cent increase in population over the period of years from 1931 to date, there has been an appreciable decrease in the amount of business handled through the Rodeo agency and in the revenues received by applicant for such handling.

The statement comparing the 12-month period ending June 30, 1939, with the preceding 12-month period indicates an increase

of 47½ per cent in carload shipments with a corresponding increase in revenues derived therefrom of 22½ per cent, and a decrease in less-than-carload revenue of 2.7 per cent. A substantial decrease was experienced in passenger revenue amounting to 35½ per cent. Revenue from less-carload shipments, when computed on the full revenue basis, indicates an improvement for the period ending June 30, 1939, over both the immediately preceding 12-month period and the 12-month period ending February 28, 1931. Correspondingly there was an improvement in passenger revenue for the 12-month period ending June 30, 1939, over a corresponding 12-month period in 1931. Although the record indicates a decrease in passenger revenue for the 1939 period, no explanation for the decrease is given.

In arriving at a determination as to whether or not a given agency should be abandoned, numerous elements must be taken into consideration involving not only the financial results of operation but also the past history of the agency, its geographic location, the trend of business, and the length to which the applicant has gone in an effort to stimulate new business. The record indicates that in the face of declining revenues and business handled during recent years applicant has exerted little, if any, effort to hold the patronage enjoyed or to stimulate new business through the channels of solicitation. In an agency of the type under consideration here where the duties of the agent are sufficiently light, the agent himself could undoubtedly improve his employer's public relations and stimulate new business in his immediate community. However, it appears that the rules governing the activities of such agents are such that an agent is not permitted to take any part in a program of solicitation of business and development of good will even though his very existence depends upon those elements. Formulation of specific rules for application to the activities of employees to a given classification without regard to the specific

instances is just as inconsistent as the application of system average expenses to an isolated station.

It should be pointed out to those persons who have so vigorously opposed such abandonment that an obligation exists on their part to utilize these facilities, if their permanence is to be expected, and to applicant that concerted effort should be exerted to exploit to the maximum degree the business potentialities of the area served, both in the interest of preserving to this community the service it now enjoys and in the interest of improving its financial status.

The record herein adduced leads to the conclusion that abandonment of this agency is not justified at this time and the following order will so provide.

O R D E R

A public hearing having been held and the matter having been submitted,

IT IS HEREBY ORDERED that Application No. 22881 is hereby denied without prejudice.

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

Dated at San Francisco, California, this 13th day of February, 1940.

Ray L. Rice
Frank D. Wagoner
Raymond W. Wagoner
W. H. Wagoner
Justus F. Carver
Commissioners