

Decision No. 23175

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SACRAMENTO)
NORTHERN RAILWAY, for an order authorizing the)
discontinuance of passenger train operations in) Application
the counties of Solano, Yolo, Sacramento, Sutter,) No. 23175
Colusa, Yuba, and Butte, State of California.)

L. N. BRADSEAW, for Applicant in Application No. 23175

HARRY A. ENCELL, for Beverly Gibson, Applicant in Appli-
cations Nos. 21931, 23264, and 19969, and protestant in
Appl. No. 23178; and for California-Nevada Stages, Inc.,
Applicant in Applications Nos. 19954 and 23271, and pro-
testant in Application No. 23198.

WM. MEINHOLD, for Southern Pacific Company, protestant in
Application No. 21931.

H. C. LUCAS and H. D. RICHARDS, for Pacific Greyhound Lines,
Applicant in Applications Nos. 23198 and 23178, and pro-
testant in Applications Nos. 21931, 19954, 23264, and 23271.

FONTAINE JOHNSON, for West Sacramento Stage Line, Protestant
in Application No. 23198.

EDWARD STERN and R. S. ELLIOTT, for Railway Express Agency
in Applications Nos. 21931, 19954, 23264, and 23271.

W. P. RICH and J. W. KAUFMAN, for Sutter-Yuba Chamber of
Commerce.

HUGH B. BRADFORD, City Attorney, and H. H. JAQUETH, Planning
Commission Engineer, for City of Sacramento, in Application
No. 23175.

E. A. McMILLAN, J. E. HANLON, and HARRY SEE, for Sacramento
Northern Railway's employees, protestants in Application No.
23175, and interested parties in all other applications.

J. E. LAUGENOUR, City Attorney, Woodland, for City of Wood-
land, Board of Supervisors of County of Yolo, Woodland
Chamber of Commerce, and Woodland Fact Finding Committee,
interested parties in all applications.

W. G. STONE, for Sacramento Chamber of Commerce, interested
party.

GRAYSON PRICE, City Attorney, for City of Chico, interested
party.

J. F. GOOD, City Attorney, for City of Oroville, interested
party.

MAITLAND PENNINGTON, for Town of Meridian.

S. ATWOOD McKEEHAN, for Sutter County Farm Bureau.

RUTLEDGE & RUTLEDGE, City Attorneys, by Ralph W. RUTLEDGE,
for the City of Colusa.

RILEY COMMISSIONER:

O P I N I O N

In this application the Sacramento Northern Railway has requested authority to abandon all its existing electric train passenger service on that part of its system in the Sacramento Valley north of the station of West Pittsburg, Contra Costa County. This includes that part of its main line from West Pittsburg to Chico, together with its branch lines between Sacramento and Woodland, and between Marysville and Colusa. No request is made for the discontinuance of applicant's passenger train service between West Pittsburg and San Francisco, its street-car service in Sacramento, Yuba City-Marysville, and Chico, nor any of its freight service.

After hearings held in the cities of Sacramento, Chico, Marysville, Woodland, and Colusa, briefs were received on behalf of applicant and certain protesting labor organizations.

At the initial hearing of this matter in Sacramento on January 25, 1940, there were set for joint hearing the several associated applications of Pacific Greyhound Lines and Beverly Gibson, two passenger stage carriers seeking certificates for the enlargement of their respective services in the general territory now served by Sacramento Northern, and also the application of the latter to discontinue certain of its own passenger stage operations. However, it was then agreed that hearings on those collateral matters should be held in abeyance until the Commission might dispose of this rail abandonment application.

Sacramento Northern's freight business is predominantly the transportation of agricultural products. Its passenger train service for which abandonment is here sought consists of four round-trips daily between West Pittsburg and Sacramento, three between Sacramento and Chico, two on the Colusa branch, and eight on the Woodland branch, with extra Sunday trips on each line. Except upon the Woodland branch, the travel is mainly by single or round-trip fares. The Woodland branch travel consists largely of commuters and school children.

Sacramento Northern justifies its application upon a showing of constantly diminishing passenger train patronage due to over-increasing travel by private automobile, resulting in constantly increasing financial losses annually. Such losses, it claims, cannot be overcome in the future by any known and practicable changes in the form of service rendered. It has shown without serious dispute that from 1920 to 1938, inclusive, the number of passengers carried decreased annually from 2,220,000 to 663,000, while its annual gross passenger revenue was reduced from \$1,699,902 to \$279,049. For the nine months' period ending with September 1939, the net operating deficiency, before allowance for any depreciation expense, was at least \$99,000. This loss is not assignable to any single line sought to be abandoned, but is attributable quite equally to each of the above-described operations.

The burden of the testimony offered in opposition to the granting of the application was directed to the possibility of increasing patronage by effecting improvement of service. Witnesses from the several communities served expressed the thought that with the making of major improvements on tracks and equipment, and the shortening of running schedules, passenger patronage would be materially increased. Those using the Woodland branch line expressed a willingness to accept a curtailment of service. The railroad employee

representatives contend that applicant seeks to sacrifice the convenience of the public to its own private interest, and that it has made a wholly inadequate showing to justify the abandonment of part of its service without discontinuance of the whole.

After fully considering the evidence and arguments thus presented, we are forced to the conclusion that not only an adequate but a very decisive showing has been made by Sacramento Northern in support of its application. We need not stop to record in detail the various factors contributing to the almost complete deflection of passenger business away from this carrier, nor consider whether this may be due in part to its own failure to maintain service at highest standards. The obvious fact is that the future offers little possibility indeed for the resuscitation of passenger service on these lines. Faster and more comfortable service can be attainable only by the investment of funds beyond the ability of applicant to obtain for such purposes, and the possibility of earning a fair return thereon would be extremely remote.

It is the public convenience and necessity, just as protestants rightfully contend, not the mere private convenience of the applicant carrier, which must guide the Commission in such proceeding as this. But this does not mean that the financial necessity of the carrier may be disregarded. The loss to this applicant in the conduct of its passenger service is occasioned primarily by competitive forms of transportation. Continued loss of patronage to the private automobile and to other carriers would indicate a continually diminishing public necessity for the service. The freight operations of Sacramento Northern may or may not endure, for they too have been unprofitable. But we find little merit in the argument of protestants that one part of the business cannot legally be abandoned unless a showing be made for the discontinuance of the whole. The authority expressly committed to this Commission

by law, and long exercised, is to determine whether public necessity justifies the abandonment of a part as well as the whole of a carrier's operations. Certainly the public interest would not be served more fully by forcing applicant to discontinue its freight as well as its passenger service.

In the light of these facts, and in view of the pending applications by other carriers contesting for the right to enlarge their operation within the same field, we must conclude that the public interest justifies the granting of this abandonment application.

The Commission will proceed promptly with the hearing and determination of the several applications above referred to for the inauguration by other carriers of enlarged passenger stage service to the points now served by Sacramento Northern. Our order granting the application of Sacramento Northern will provide for the abandonment of its rail passenger service at a future date when it may be expected that adequate substituted stage service will first have been authorized and begun by one or both of the parties applicant in those proceedings.

I recommend the following Order.

O R D E R

Application having been made by Sacramento Northern Railway for authority to discontinue certain passenger train operations, said application having been heard and now being ready for decision, and basing this Order upon the findings and conclusions expressed in the foregoing Opinion,

IT IS HEREBY ORDERED that authority be and it is hereby granted to Sacramento Northern to discontinue on July 30, 1940, unless sooner expressly permitted by the Commission, all passenger train service upon and along the following routes:

1. Main Line - between West Pittsburg, in Contra Costa County, and Chico, Butte County, and passing through the cities of Sacramento, Sacramento County, Marysville, Yuba County, and Yuba City, Sutter County;
2. Woodland Branch - between Woodland, Yolo County, and Sacramento, Sacramento County;
3. Colusa Branch - between Colusa, Colusa County, and Colusa Junction, Sutter County;

and IT IS HEREBY FURTHER ORDERED:

1. That applicant shall give not less than ten (10) days' notice to the public of said abandonment by posting notice at each agency station affected, and upon all of its passenger trains affected.
2. That applicant shall cancel, in conformity with the rules of the Commission, all passenger tariffs and time tables applying to passenger service authorized to be abandoned herein.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

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

Dated at San Francisco, California, this 16th day of April, 1940.

Ray & Riley
Frank P. Dumm
W. H. Baker
Justus J. Coenen
Commissioners