

Decision No. 23233

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
(a) SOUTHERN PACIFIC COMPANY for an )  
order authorizing it to close the )  
agency at Dunnigan Station, County )  
of Yolo, State of California, and ) Application No. 23233  
(b) RAILWAY EXPRESS AGENCY, INC., )  
for an order authorizing it to aban- )  
don its agency at said station. )

R. S. MMERS, for Applicants.

N. D. PRITCHETT, and I. S. WILSON, for Order of  
Railroad Telegraphers, Protestant.

I. H. PHAFFENBERGER, for California Farm Bureau  
Federation, Protestant.

LINDSAY VAN TONGEREN, and ROBERT W. THARP, for  
Woodland District Chamber of Commerce, Protestant.

BY THE COMMISSION:

O P I N I O N

Applicants, Southern Pacific Company and Railway Express Agency, Inc., have made application requesting authority to close the agency at Dunnigan Station, Yolo County.

A public hearing was held at Dunnigan, February 20, 1940, before Examiner Malquist, at which time the matter was submitted upon the filing of briefs, and is now ready for decision.

The Southern Pacific Company's Shasta Route follows the west side of the Sacramento Valley and extends north from Davis, Yolo County, via Woodland, Dunnigan, and Willows to Gerber, Tehama County. Dunnigan Station is approximately 28 miles north (east in railroad direction) of Davis. The nearest existing agency on the north of Dunnigan is Arbuckle, a distance of 10.3 miles, while on the south (west in railroad direction) is Yolo, a distance of 13.3 miles.

A brief review of the history of the Dunnigan Station agency discloses that the Southern Pacific Company filed Application

No. 19250 on June 29, 1932, requesting authority to establish a part-time agency at this station and the adjoining station of Zamora. This request was granted by the Commission by Decision No. 24997 dated July 21, 1932. The Dunnigan agency remained on a part-time basis until June 20, 1937, when it was restored by the Company as a full-time agency.

On January 31, 1939, the Southern Pacific Company filed Application No. 21741 requesting authority to close the agency at Dunnigan, alleging that the volume of business handled at said station had decreased to such an extent that an agent was no longer required. After a public hearing on this matter the Commission denied same by Decision No. 31027 dated June 27, 1939. Later a petition for re-hearing was filed and this was denied by Decision No. 31164 dated August 1, 1939.

At the time of rendering the above decision the Commission found as follows:

" \* \* \* It is without question that the station expenses will exceed the allocated less-than-carload and passenger revenues \* \* \* but to our way of thinking it is imperative that in order for a railroad to retain its business and also to develop new business in a territory such as that between Yolo and Arbuckle, it should keep in close contact with the transportation needs of the community. \* \* \* We believe that a railroad representation in about the center of the 23.5 mile area between Yolo and Arbuckle is necessary and that Dunnigan is the proper location. \* \* \* "

The instant application was filed by the Southern Pacific Company January 10, 1940, approximately 10 months after the decision was rendered denying the previous application. Upon stipulation it was ordered that the exhibits in Application No. 21741 be made a part of this record by reference.

Applicant introduced evidence at the hearing to the effect that carload freight business at the Dunnigan station had decreased from a total of 93 cars in the year 1939 to 54 cars in 1939. Less-than-carload revenue was about the same for 1939 as that shown for

the previous year.

A comparison of business handled at Dunnigan for the period from February 1, 1936, to December 31, 1939, is shown in the following tabulation:

| <u>Freight Received &amp; Forwarded</u>                         | <u>Year Ending 12/31/39 (1)</u> | <u>Year Ending 12/31/39 (1)</u> | <u>Period 2/1/37 to 1/31/38 (2)</u> | <u>Period 2/1/36 to 1/31/37 (2)</u> |
|---|---------------------------------|---------------------------------|-------------------------------------|-------------------------------------|
| No. of Carloads   | 54                              | 93                              | 130                                 | 158                                 |
| Carload Revenue - Local*  | \$ 2,098                        | \$ 3,078                        | \$ 5,729                            | \$ 5,345                            |
| Carload Revenue - Interline                                     | \$ 2,074                        | \$ 3,997                        | \$ 1,395                            | \$ 2,167                            |
| Less-than-Carload Revenue-Local*                                | \$ 292                          | \$ 289                          | \$ 317                              | \$ 303                              |
| Less-than-Carload Revenue-Interline                             | \$ 2                            | \$ 13                           | \$ 52                               | \$ 41                               |
| Passenger Revenue   | \$ 277                          | \$ 101                          | \$ 26                               | \$ 31                               |
| Total Station Expense   | \$ 1,995                        |                                 | \$ 1,069                            |                                     |
| Average Station Expense per Mo.                                 | \$ 166                          |                                 | \$ 156                              |                                     |
| Total Average Revenue per Mo. for Less-than-Carload and Tickets | \$ 48                           |                                 | \$ 33                               |                                     |

\* For the items of local freight revenue, the amounts shown represent one-half of actual revenue, in order to allocate or credit this station its proportion of the revenues derived therefrom.

The record discloses that in the event this application is granted the Southern Pacific Company plans to take care of less-than-carload shipments by storing them in the station freight warehouse under lock, and that the company telephone located on the depot platform will be made available to patrons to communicate with adjacent agencies for the purpose of ordering cars or transacting any other railroad business. It was pointed out that a key to the freight warehouse will be obtainable from a custodian located near the depot and that same will be available during the usual agency hours of the station.

(1) Exhibit No. 1 - Application No. 25233.

(2) Exhibit No. 1 - Application No. 21741.

The record further discloses that no change is contemplated in train service and that passengers will be able to secure their tickets from the train conductor without penalty on any one-way or round-trip fare.

Witness for the Railway Express Agency, Inc., testified that express revenue at this station amounted to \$267.11 during the year 1939, for an average of \$22.26 per month. <sup>(3)</sup> He further testified that the company had endeavored to locate some one within the community to handle their business, in the event the agency was closed, but had been unable to find any one willing to perform this service on a commission basis. Prepaid express shipments consigned to Dunnigan, the witness testified, will be handled in the same manner as the less-than-carload freight shipments, by having same placed in the freight warehouse.

The record discloses that less-than-carload shipments outbound may either be delivered directly to the conductor of the freight train or left in the freight warehouse by the shipper with the shipping documents placed in a box provided for that purpose, same to be signed by the freight conductor when the shipment is picked up.

Protestants to this application allege that conditions have not changed at this agency or in this territory, insofar as public convenience and necessity are concerned, since the time of the previous hearing in this matter. Protestants further allege that the number of carload shipments outbound from Dunnigan Station showed a decrease over the previous year because market conditions were not favorable for agricultural products during the 1939 season, and that a substantial quantity of grain was being stored in warehouses until market conditions were more favorable.

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(3) Exhibit No. 2.

Protestants pointed out that during the time the agency was on a part-time basis the key to the freight warehouse had been placed with a custodian near the depot, but that there were times when patrons had some difficulty locating the custodian and were inconvenienced by having to wait for their freight shipments. Protestants further alleged that the company telephone was not satisfactory for the use of the general public, because the line was busy most of the time and it was difficult for patrons to secure the desired information.

Applicant's witness testified that the above objections had now been eliminated by the company offering to furnish a key to the freight warehouse to any responsible patron using the Dunnigan Station, and that the company telephone service had been improved by installing a separate service for the dispatcher, thereby making the regular telephone available for other company business.

Applicant has indicated in this record that traffic requirements have been and will continue to be kept under surveillance, and that in the event this application is granted, it will have traffic men visit the territory frequently and thus be prepared to look after the transportation needs of the community.

The issue in this matter is not a question of station expenses vs. revenue received. The Commission found at the time of rendering the previous decision pertaining to this agency, that station expenses exceeded the allocated less-than-carload and passenger revenues, and the exhibit entered into the present record definitely indicates the same condition still exists. In addition, the Commission has previously stated that convenience to the public of having an agent on duty at a station, is much more desirable than a closed agency with company telephone service and a freight warehouse under lock, with key available through a custodian. At the time of

rendering the previous decision in this matter, the Commission was hopeful that a railroad representation at Dunnigan would enable the Southern Pacific Company to not only retain its business, but also to develop new business in this territory. It might well be that the 1939 market conditions for agricultural products were subnormal, but the fact remains that after an 18-month trial period, not only did carload business decrease in volume, but the less-than-carload revenue failed to show any improvement over preceding years, and is substantially less than the expense of the station agency.

The Commission is mindful of the authority vested in it by law to safeguard public convenience and necessity, and that the granting of applications of this nature should not be authorized merely for the private convenience of the public carrier. However, this does not mean that the financial necessity of the carrier may be disregarded. It is obvious that having a railroad representation in this territory has failed to develop any additional revenue for the carrier, after making allowance for agency expenses, and it would appear that applicant has made arrangements for public need by providing company property and making same available for use by the general public.

After fully considering the complete record in this matter and basing our conclusions on the preceding opinion, we must conclude that the public interest justifies granting applicant's request and authorization will be given to discontinue such agency.

O R D E R

IT IS HEREBY ORDERED that the Southern Pacific Company and Railway Express Agency, Inc., are hereby authorized to abandon the agency at Dunnigan Station, Yolo County, subject to the following conditions:

- (1) Applicants shall give not less than ten (10) days' notice to the public of said agency abandonment by posting notice at said station.
- (2) Southern Pacific Company shall store less-than-carload freight shipments under lock in company's warehouse and the railroad telephone located at said station shall be made available to its patrons. The keys to both warehouse and telephone shall be obtainable from a custodian located at or near said station and notices advising shippers where the keys may be secured shall be maintained at both warehouse and telephone. In addition, extra keys to said warehouse shall be furnished patrons regularly using said station, upon application for same.
- (3) Railway Express Agency, Inc., shall continue to handle express shipments moving into or out of said point, provided that they are tendered to or received from an express messenger at car door of train stopping at said point. Prepaid express shipments shall be stored under lock in Southern Pacific Company's warehouse at said station.
- (4) Applicants shall, within thirty (30) days thereafter, notify this Commission, in writing, of the abandonment of the facilities authorized herein and of their compliance with the conditions hereof.
- (5) 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.

For all other purposes the effective date of this Order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 23<sup>rd</sup> day of April, 1940.

Ray & Riley  
Richard A. Riley  
W. D. Riley  
Justin J. Quenen  
Commissioners