

Decision No. 33168

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN)
PACIFIC COMPANY to discontinue all scheduled) Application
passenger service on portions of its so-) No. 23372
called San Jose-Santa Cruz Branch.)

ORIGINAL

R. S. MYERS, for Applicant

EDWARD STERN, for Railway Express Agency, Inc.,
Interested Party.

HARRY J. BIAS, for Special Fact Finding Committee appointed
by Santa Cruz Chamber of Commerce, Protestant.

BERT B. SNYDER, President, M. C. HALL, Secretary, and
DONALD YOUNGER, Associate Counsel, for
Santa Cruz Chamber of Commerce.

CARL S. BALCH, Mayor of Los Gatos.

BAKER, COMMISSIONER:

O P I N I O N

In this proceeding the Southern Pacific Company makes application for authority:

I. To discontinue, temporarily, all scheduled rail passenger service on that portion of its San Jose-Santa Cruz Branch between Los Gatos and Santa Cruz, pending a determination by the Interstate Commerce Commission of the Southern Pacific Company's application (Finance Docket No. 12815) for authority to abandon that portion of the applicant's line between Los Gatos and Olympia; and

II. To discontinue permanently all scheduled passenger service on that portion of the applicant's branch line extending from Los Gatos to Olympia in the event that, by appropriate order in Finance Docket No. 12815, the Interstate Commerce Commission authorizes the abandonment of the applicant's line between the said points of Los Gatos and Olympia.

A public hearing was held in this proceeding on April 26, 1940, for the purpose of taking evidence with respect to the single issue of the proposed temporary discontinuance of all scheduled rail passenger service between Los Gatos and Santa Cruz. The further issue of permanent discontinuance of all such scheduled passenger service, which is involved in the said application pending before the Interstate Commerce Commission, is to be considered at some later date.

That portion of the San Jose-Santa Cruz Branch of the Southern Pacific Company between Los Gatos and Olympia extends through the Santa Cruz mountains. During the heavy storm period of the early part of this year, beginning about the 27th day of February, numerous slides and washouts occurred along the Southern Pacific Company's railroad line over much of the distance between Los Gatos and Olympia, resulting of necessity in a cessation of service. As yet, very little attempt has been made to clear away such slides and to open up this line to traffic. The applicant estimates that it will involve an expense of approximately \$54,300 to restore this damaged segment of its line to a normal condition of servitude. It further submits that the normal maintenance cost of this section amounts to approximately \$29,000 annually.

In order to maintain passenger service between Los Gatos and Santa Cruz, under existing circumstances as above noted, the applicant herein has arranged with the Pacific Greyhound Lines to render bus service between the said points of Los Gatos and Santa Cruz in connection with certain trains now operated by the applicant, such substituted bus transportation to serve also the intermediate rail points.

Upon the hearing in this proceeding, a stipulation, in writing, executed and entered into by the Pacific Greyhound Lines, the Southern Pacific Company, and the Peerless Stages, was received and filed of record herein, by the terms and provisions whereof the

Pacific Greyhound Lines stipulated and agreed that, in the event the said application for temporary discontinuance of passenger service be granted, it would limit its service in the area herein involved to the transportation of passengers for the account of the Southern Pacific Company between Los Gatos and Santa Cruz, together with intermediate rail points, and that no other local service between Los Gatos and Santa Cruz would be performed by the Pacific Greyhound Lines.

Due to the fact that there is pending before the Interstate Commerce Commission an application on behalf of the Southern Pacific Company for complete and permanent abandonment of the line between Los Gatos and Olympia, the applicant herein contends that there is no justification for it being required to expend the sum of \$50,000 or more toward the rehabilitation of the said line between Los Gatos and Olympia in order thereby to operate a rail passenger service for what may prove to be a temporary and a very brief period of time.

Vigorous protest was made against the temporary discontinuance of this passenger service on the ground that direct rail service from San Francisco to Santa Cruz is necessary to bring people of the Bay area into Santa Cruz, particularly during the summer months. It was pointed out that the Santa Cruz area is a large recreation center and that many people from the Bay area spend their vacations and week-ends there. They contended that the discontinuance of through passenger service would materially and adversely affect the movement of these people into Santa Cruz and its environs. It was also contended that the so-called "Suntan" specials, which run during the summer months, brought a large volume of people into Santa Cruz, and that this service should be reinstated.

However, it was brought out that these trains could be operated to Santa Cruz by way of Watsonville Junction, which would entail an additional length of haul of some forty miles.

Furthermore, evidence was produced to the effect that the trains were necessary for the handling of certain classes of express matter, particularly the movement of baby chicks, and fish on ice. It was their contention that baby chicks, and fish on ice could not be moved satisfactorily at the same time by bus or truck, and that the elimination of this train service would be very detrimental, particularly to the baby chick industry.

A review of the entire record, however, leads us to the conclusion, taking into consideration the proceeding before the Interstate Commerce Commission, that to require applicant to rehabilitate its line at this time is not justified, particularly in view of the fact that passenger service is being maintained between Los Gatos and Santa Cruz by an arrangement between Southern Pacific Company and the Pacific Greyhound Lines.

It is quite clear that the restoration of passenger train service would be advantageous to the community, but the record does not justify the expenditure of some \$50,000 to restore this service temporarily.

It appears clear from the record that applicant should be authorized to temporarily discontinue all scheduled rail passenger service between Los Gatos and Santa Cruz, pending a final determination in these matters by both the Interstate Commerce Commission and this Commission, and the following Order will so provide.

It is to be understood, however, that nothing herein contained shall be construed as indicating or reflecting to any extent whatsoever the opinion of this Commission with reference to the ultimate issue raised by the applicant, namely, that of a permanent abandonment of the applicant's passenger service between Los Gatos, Olympia, and Santa Cruz, and which said ultimate issue is still pending before the California Railroad Commission.

O R D E R

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

IT IS HEREBY ORDERED that permission and authority is hereby granted to Southern Pacific Company to temporarily discontinue regular passenger train service upon its San Jose-Santa Cruz line between Los Gatos and Santa Cruz until a final determination is made in this matter, and in Finance Docket No. 12815 before the Interstate Commerce Commission.

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 4th day of June, 1940.

Ray C. Riley

Ralph A. ...

Justus J. ...

Commissioners