

Decision No. 33232

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 between)
the City and County of San Francisco)
and the City of Pittsburg, Contra Costa)
County, and intermediate points.)

ORIGINAL
Application No. 24127

L. N. BRADSHAW, for Applicant

HARRY SEE, for Brotherhood of Railroad Trainmen

HERBERT W. ERSKINE, on behalf of Keys & Erskine and
M. Mitchell Borquin and Leo Cunningham, for
the California Toll Bridge Authority.

EMORY E. SMITH, for Contra Costa Development Asso-
ciation.

G. S. CUTLER, for the San Ramon Valley-Walnut Creek
Chamber of Commerce.

- LOUIS VEZZANI, in propria persona
- A. R. CRAWFORD, in propria persona
- E. H. HALE, in propria persona
- GEORGE K. SCHRODER, in propria persona
- R. D. ANDERSON, in propria persona
- MRS. A. E. BURTIEN, in propria persona
- C. O. ANDERSON, in propria persona
- F. C. CROSS, in propria persona
- H. T. DUNHAM, in propria persona

RILEY, COMMISSIONER:

Public hearings were conducted in the above-entitled
matter at Concord, May 2, 1941, and at San Francisco, May 6, 1941.
The matter is now under submission and ready for decision.

The Commission, by its order in Decision No. 33416, dated
August 20, 1940, granted Sacramento Northern Railway authority to
abandon passenger train service between West Pittsburg and Sacramento.
In the instant application authority is sought to discontinue passen-
ger train service between Pittsburg and San Francisco, and to cancel
all passenger tariffs applying to said service. Applicant contends
that its passenger business has declined to a point where its con-

tinuation cannot be economically justified and the losses sustained seriously jeopardize the remainder of its operations. For the greater part, the district served by the passenger operation herein sought to be abandoned is also served by lines of both Pacific Greyhound Lines and Gibson Lines.

In support of the granting of this application Sacramento Northern Railway presented exhibits showing revenue, expenses, and traffic. With respect to operating revenue, Exhibit No. 2 shows that for the 6-month period ending February 28, 1941, applicant sustained passenger operating out-of-pocket losses varying from \$2,495 to \$1,511 per month, exclusive of any allowance for depreciation, interest, and overhead. When depreciation, interest, and overhead are accounted for, the operating loss varies from \$7,615 to \$5,517 per month. Exhibit No. 3 shows the result of operation by the Sacramento Northern Railway for a 5-year period ending December 31, 1940. This shows a system net railroad operating loss for each year varying from \$124,600 in 1936 to \$354,000 in 1939, with a loss of \$280,960 in 1940. The total assets of the Sacramento Northern Railway are shown on Exhibit No. 4 to amount to \$10,836,583, the two largest items being Road and Equipment \$9,732,968, and Miscellaneous Physical Property \$600,674. Exhibit No. 8 shows for the year 1940 a gross railway operating revenue amounting to \$1,190,629, the two largest items being Freight, \$864,210, and Passenger Revenue, \$205,776.

The granting of this application was opposed by the residents of Redwood Canyon, located in Contra Costa County. It is claimed by these people that if the railroad is discontinued they will be entirely deprived of public transportation, as the main highway over which both Pacific Greyhound Lines and Gibson Lines operate is several miles removed from Redwood Canyon.

It appears from the record that for the month of March, 1941, 188 one-way tickets, 26 round-trip tickets, and six 62-ride books were sold to and from stations in Redwood Canyon. The highway serving the Redwood Canyon area is circuitous with steep grades which would result in expensive operation for bus transportation.

It is clear from the record that the passenger business developed by applicant through the area between East Bay cities and Pittsburg does not meet the out-of-pocket cost of performing the service. Furthermore, if applicant is to continue rail service over the San Francisco-Oakland Bay Bridge it will be necessary for it to maintain the entire 1200-volt propulsion circuit, as the operations of the Interurban Electric Railway Company, which company uses this circuit in common with applicant, is authorized to be discontinued in the near future. Furthermore, if passenger service is to be continued, the deficits would have to be borne by applicant's parent company, The Western Pacific Railroad Company, which in turn is in receivership.

The withdrawal of passenger train service by Sacramento Northern Railway will not deprive the communities affected, other than Redwood Canyon, of public transportation, as the Pacific Greyhound Lines and the Gibson Lines will continue to operate through and serve this territory.

Pacific Greyhound Lines has been authorized to modify restrictions on its operations through the area herein involved, and coordinate this service with the remainder of its system. Furthermore, this company has offered to increase its service in order to take care of the traffic released by applicant. In addition certain restrictions have been removed from the operations of Gibson Lines serving this general area.

It is concluded, after a careful review of the record, that public convenience and necessity do not require the continued operation of passenger train service by Sacramento Northern Railway between the San Francisco bay area and Pittsburg, and that the application should be granted. I recommend the following form of order which so provides.

ORDER

A public hearing having been held and the matter having been duly submitted, IT IS HEREBY ORDERED that Sacramento Northern Railway be and it is hereby authorized to discontinue passenger train service between the City and County of San Francisco and Pittsburg, Contra Costa County, and to cancel, in conformity with the rules of this Commission, all passenger rate tariffs and time schedules between said points, all of which is subject to the following conditions:

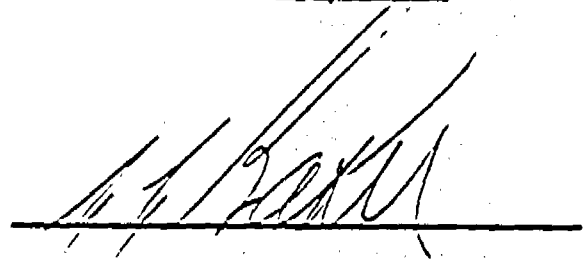
- (1) Said passenger train service shall be abandoned concurrently with and not before the establishment of augmented schedules by Pacific Greyhound Lines operating between said points, as applied for in Application No. 24155.
- (2) Applicant shall, within thirty (30) days thereafter notify this Commission, in writing, of the abandonment of the passenger service herein authorized and of its compliance with the conditions hereof.
- (3) The authorization herein granted shall lapse and become void if not exercised within one year from the effective date hereof, unless further time is granted by subsequent order.

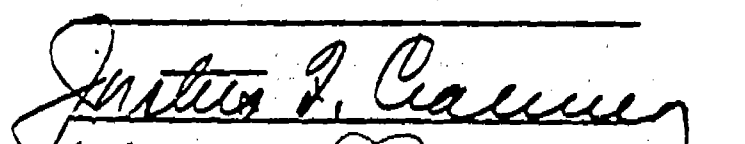
The effective date of this order shall be twenty (20) days from the date hereof.

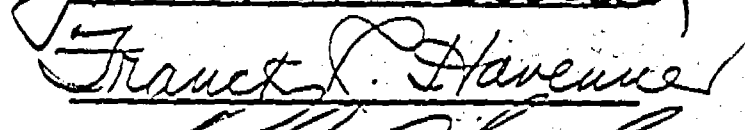
The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission

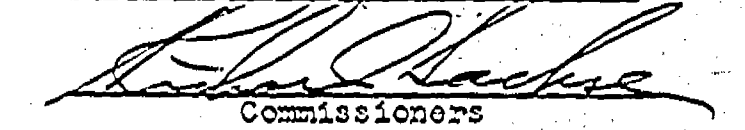
of the State of California.

Dated at San Francisco, California, this 27th day
of May, 1941.









Commissioners