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ORIGINAL

Decision No. 34801

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a corporation (hereinafter called Atchison Company) and Railway Express Agency, Incorporated, a corporation (hereinafter called Express Agency), for authority to discontinue their agency at South Pasadena, California, and to operate the same as a non-agency station.	)	
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	)	
	)	Application
	)	No. 24207
	)	
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M. W. REED, for Applicant THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY.  
 J. L. ELLIOTT and E. J. HENEY, for the Order of Railroad Telegraphers.

ANDREW O. PORTER, for the City of South Pasadena.

BY THE COMMISSION:

O P I N I O N

Applicants, The Atchison, Topeka and Santa Fe Railway Company and Railway Express Agency, Incorporated, have requested authority to discontinue their agency at South Pasadena Station, Los Angeles County, and to operate the same as a non-agency station.

At a public hearing held at South Pasadena on July 29, 1941, before Examiner Malquist, the matter was submitted upon the filing of briefs, which have now been received, and is now ready for decision.

The station of South Pasadena is located on the main line of The Atchison, Topeka and Santa Fe Railway Company, extending from Los Angeles to Barstow. The nearest agency station in a westerly direction is Los Angeles, a distance of 7.3 miles, while in an easterly direction is Pasadena, a distance of 2 miles.

Applicant, Railway Express Agency, Incorporated, did not make an appearance at the hearing and no evidence was introduced indicating the status of the company in this proceeding.

Applicant, The Atchison, Topeka and Santa Fe Railway Company, hereinafter called the Atchison Company, contends that the business transacted at the South Pasadena agency is small as compared to the expense of maintaining an agent thereat and that public convenience and necessity do not longer reasonably require an agent at South Pasadena.

Prior to the filing of its application, the Atchison Company filed notice, in accordance with the provisions of the Commission's General Order No. 36-B, that it proposed to close this agency on May 22, 1941, and thereafter to operate same as a non-agency station. Subsequent to the posting of this notice a protest of such action was filed in the name of the City of South Pasadena, and a request made that the matter be set for hearing before this Commission.

At the hearing Mayor Andrew O. Porter appeared on behalf of the City of South Pasadena and stated that he now desired to withdraw the protest previously filed and enter an appearance in the name of the City as an interested party only. He further stated that an understanding had been reached between the City and the Atchison Company whereby, in the event closing of the agency was authorized by this Commission, the Atchison Company would remove the old passenger station and erect in its place a passenger shelter with concrete platform and asphalt walks. In addition the Atchison Company agreed to lease to the City of South Pasadena certain property to be beautified by the City for park purposes, and also agreed to contribute \$900.00 to the City to be used for installation of a sprinkler system, shrubbery, lawns, etc. (1)

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(1) Exhibit No. 4 is a letter addressed to Mayor Porter from Mr. E. E. McCarty, General Manager, The Atchison, Topeka and Santa Fe Railway Company, outlining and confirming an understanding previously agreed upon.

MAYOR PORTER further stated that he was not entirely familiar with the demands or requirements of shippers using the facilities of the South Pasadena agency of the Atchison Company and therefore desired that they be given an opportunity to appear at the hearing for this purpose.

The Atchison Company introduced evidence at the hearing to the effect that during the period from February 1, 1940, to January 31, 1941, a total of 81 carloads of freight had been received at South Pasadena and one carload forwarded. During the same period 487 less-than-carload shipments had been received and 210 shipments forwarded. A total of 127 passenger tickets were sold during the same period.

A statement of business handled at South Pasadena agency during the period from January 1940 to June 1941, inclusive, is summarized in the table to follow:

<u>Period Covered - January 1940 to June 1941, inclusive</u>		
<u>Revenue Received:</u>		
Freight	\$40,977.57	
Average per month		\$2,276.53
Passenger	8,261.90	
Average per month		<u>458.99</u>
Total Revenue	\$49,239.47	
Average per month		\$2,735.52
<u>Carload Freight:</u>		
Forwarded	2	
Average per month		0.1
Received	117	
Average per month		6.5
<u>Loss-than-carload Freight:</u>		
Forwarded - Pounds	60,665	
Average per month		3,370
Received - Pounds	113,346	
Average per month		6,297

Revenue received by the Atchison Company from Western Union or Railway Express Agency was not included in the statement, although the latter was estimated to be \$8.65 per month.

Applicant produced testimony to show that the cost of conducting the agency at South Pasadena consisted largely of payroll expense, averaging \$212.00 per month, plus some additional expense for light and water.

The record discloses that at the present time less-than-carload freight is provided store-door pick-up and delivery service by contract agreement between applicant and a local trucking company. Applicant estimated that approximately 80 per cent of the less-than-carload shipments were accorded store-door pick-up and delivery service, the remaining 20 per cent being handled directly by the agent at the South Pasadena freight depot. Applicant further showed that some difficulty had been experienced in securing a drayage concern in South Pasadena to properly handle its pick-up and delivery less-than-carload shipments. However, in the event this application is favorably acted upon, it proposed to handle such shipments through the Pasadena agency by employing the same drayage company that is now handling the Pasadena shipments.<sup>(2)</sup>

The record further discloses that in the event this application is granted the Atchison Company plans to take care of less-than-carload shipments not accorded store-door pick-up or

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(2) In response to a question on cross examination applicant stated that the present arrangement of providing pick-up and delivery service of less-than-carload shipments by a local drayage concern would be continued in effect until arrangements could be completed to acquire the services of a drayage concern which would have a permit to operate inter-city between South Pasadena and Pasadena.

delivery service by storing them in the station freight warehouse under lock. It was pointed out that a key to the freight warehouse would be obtainable from the drayage concern handling the store-door pick-up and delivery shipments and that arrangements could be completed to furnish a key to responsible shippers who might desire to use the freight warehouse.

It was stated by applicant that no change is contemplated in train service and that passengers would be required to purchase their tickets from the train conductor, without penalty, or make arrangements in advance with the company ticket agencies located either in Pasadena or Highland Park. Applicant pointed out that less-than-carload freight shipments outbound could either be delivered directly to the conductor of the freight train or handled by the pick-up and delivery drayage company.

Protestants to this application allege that South Pasadena is a fast growing community and that the city should not be deprived of having a railroad agency; that the records of the Atchison Company show that the agency is self-sustaining with expenses less than ten per cent of total revenue; that the placing or storing of less-than-carload freight shipments in the station freight warehouse would prove unsatisfactory; that this arrangement would not give freight shipments proper protection; and that public convenience and necessity require that an agency be retained.

One shipper having a substantial volume of freight appeared as a protestant and stated that his company had previously selected a location for its manufacturing plant two and one-half blocks from the South Pasadena freight depot. He stated the site was chosen for the convenience of its shipping department and that the company had now been in its present location for about one year.

A review of the record in this proceeding indicates that the principal reason advanced by applicant, Atchison Company, for the closing of the South Pasadena agency is operating convenience to the company. The distance between its Pasadena agency and the South Pasadena agency is only two miles. Applicant contends that it can provide a more satisfactory pick-up and delivery service of less-than-carload freight shipments to its patrons in South Pasadena by employing the drayage concern now serving its Pasadena agency. Applicant further contends that the carload business is practically all inbound and does not essentially require the services of a local agent.

This Commission has previously stated on numerous occasions the principal factors to be considered in the matter of an agency abandonment.<sup>(3)</sup> Suffice it to say that the principal factor is the use of the agency by the public as generally indicated by the volume of traffic handled, particularly the passenger and less-than-carload business.

It may well be that less-than-carload freight shipments can be more satisfactorily handled by the Atchison Company through its Pasadena agency by arrangement with the trucking company now handling its Pasadena shipments. However, it has not been shown in this record that such an arrangement can be completed at this time or that the trucking company has the required certificates from this Commission for such inter-city operation. On the other hand the record discloses that the volume of traffic handled through the South Pasadena agency shows a substantial increase for

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(3) See Decision No. 1449 decided April 17, 1914, in Application No. 1027; Decision No. 22211, decided March 18, 1930, in Application No. 16219; and Decision No. 31633, decided January 9, 1939, in Application No. 22040.

the six months' period from January to June 1941 over the same period in 1940. <sup>(4)</sup>

It appears from this record that there is a public need for an agency service and that the principal requirement of the Atchison Company at this time is the selection of a drayage concern to properly handle the pick-up and delivery of less-than-carload freight shipments through the South Pasadena agency. The record herein clearly shows that public convenience and necessity require the continued maintenance by applicant of an agency at South Pasadena and that the application should be denied.

O R D E R

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

IT IS HEREBY ORDERED that said application is hereby

(4) A summary made of Exhibit No. 2 for the first six months of 1941 as compared to the first six months of 1940 produces the following:

<u>Revenue Received</u>	<u>6 Months 1941</u>	<u>6 Months 1940</u>
Freight	\$13,714.00	\$10,947.38
Average per Month	2,285.66	1,824.56
Passenger	2,734.00	2,379.95
Average per Month	455.67	396.66
Total Revenue	\$16,448.00	\$13,327.33
Average per Month	2,741.33	2,221.22
Carload Freight Forwarded	1	0
" " Received	36	34
Less-than-Carload Freight Forwarded - Pounds	27,531	10,543
Received - "	28,393	29,232

denied.

Dated at San Francisco, California, this 2<sup>nd</sup> day  
of December, 1941.

W. L. Baker  
Ray & Wiley  
Justus J. Cramer  
Francis K. Havenner  
Richard Clarke  
Commissioners