

Decision No. 36043

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN PACIFIC COMPANY for an)
Order authorizing it to close its)
Agency Station of Grenada, County)
of Siskiyou, State of California,)
and to maintain the same as a non-)
agency.)

Application No. 25141

ORIGINAL

R. S. MYERS, for Applicant

N. D. PRITCHETT, for The Order of Railroad Telegraphers

I. S. WILSON, " " " " " "

BY THE COMMISSION:

O P I N I O N

Applicant in this proceeding, Southern Pacific Company, requests authority to close its agency station at Grenada, County of Siskiyou, and to maintain the same as a non-agency station.

A public hearing was held at Grenada, California, on October 15, 1942, before Examiner Malquist, at which time the matter was submitted upon the filing of concurrent briefs due December 1, 1942. The briefs have now been received and the matter is ready for decision.

The Station of Grenada is located on the Siskiyou main line, Shasta Division, of the Southern Pacific Company, extending from Black Butte, California, to Eugene, Oregon. The nearest existing agency on the north (east in railroad direction) is Montague, a distance of 6.4 miles, while on the south (west in railroad direction) is Gazelle, a distance of 8.1 miles.

Applicant's position was to the effect that (1) under present conditions the amount of business handled at Grenada Station does not justify the expense of maintaining an agency at that point; (2) that the public would not be deprived of any necessary service by the removal of the agent; and (3) that authority is requested to discontinue and maintain the station as a non-agency station only until

such time as sufficient traffic shall have been developed to justify again maintaining the agency. Applicant introduced Exhibit No. 2 for the purpose of showing a comparison of the business handled at Grenada, California, during the 12 months ended June 30, 1942, and June 30, 1941, respectively; also station expenses compared with less-than-carload and ticket revenue for the year ended June 30, 1942. (1)

(1) Exhibit No. 2 shows the following pertinent information:

STATION DATA	YEAR ENDED	AVERAGE	YEAR ENDED	AVERAGE	AVG. PER MO. COMPARISON	
	6-30-42	PER MO.	6-30-41	PER MO.	INCR.	DECR.
	(a)	(b)	(c)	(d)	(e)	(f)
Baggage handled - pieces	27	2	47	4	-	2
Number of waybills made	72	6	49	4	2	-
Number of freight bills made	414	35	478	40	-	5
Western Union messages	213	18	137	11	7	-
FREIGHT RECEIVED AND FORWARDED						
Carloads - cars	62	5	28	2	3	-
Carload revenue - Local*	\$2,299	\$192	\$1,555	\$130	\$62	-
Carload revenue - Interline	\$ 488	\$ 41	\$ 892	\$ 74	-	\$37
Less-than-carload revenue - Local*	\$ 322	\$ 27	\$ 356	\$ 30	-	\$ 3
Less-than-carload revenue - Interline	\$ 45	\$ 4	\$ 103	\$ 9	-	\$ 5
PASSENGERS AND REVENUE						
Agency Reports - Passengers	44	4	57	5	-	1
Agency Reports - Revenue	\$ 120	\$ 10	\$ 286	\$ 24	-	\$14
Milk and Cream - Cans	4,651	388	1,597	133	255	-
Milk and Cream - Revenue	\$1,312	\$109	\$ 447	\$ 37	\$72	-

STATION EXPENSES COMPARED WITH LESS-THAN-CARLOAD AND TICKET REVENUE FOR THE YEAR ENDED JUNE 30th, 1942

Station expense	\$2,722	-
Average per month	-	\$227
Less-Than-Carload revenue	\$ 367	-
Average per month	-	\$ 31
Ticket Revenue (Agency Reports)	\$120	-
Average per month	-	\$ 10
Total average revenue per month for LCL and ticket (Agency Reports) sales	-	\$ 41

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

Ø The item of station expense represents only 6.442% of balance of rail operating expenses.

Testimony introduced by applicant was to the effect that all less-than-carload freight was handled through the services of the Pacific Motor Trucking Company, (hereinafter called P.M.T. Company) and that approximately 85% of the shipments so handled are accorded store-door pickup and delivery service. No changes are proposed by applicant in the handling of this business. The remaining 15% less-than-carload freight shipments are handled through the local freight depot, and in the event the agency is abandoned such shipments would be placed under lock in the freight house and a custodian of the key appointed. Applicant also proposes to make the railroad telephone at the station available for its patrons to transact railroad business with the nearest agency. Applicant further testified that rail passenger service to and from Grenada was discontinued as of January 11, 1942; that no agent is necessary at that point for the purposes of train operation; and that the closing of the agency would have no effect on the present train service or rates.

Applicant stated that the station agent was also the agent of Railway Express Agency, Inc., but that in the event the application is granted Railway Express Agency, Inc., will make other arrangements to maintain an agency in Grenada.

The granting of the application was opposed by The Order of Railroad Telegraphers. Protestant contends that: (1) the public would be inconvenienced through the inability of securing proper handling of lost and damaged claims; (2) that patrons of the Southern Pacific Company would not be served in a satisfactory manner by having their business handled through a custodian and a company telephone; and (3) that the carrier's exhibit indicates a substantial increase in business during the current year as compared with the previous year.

Seven witnesses appeared for protestant. The first, engaged in the general merchandise business in Grenada, testified that practically all of his freight shipments were inbound and received store-door delivery through the services of P.M.T. Company. He opposed the granting of the application on the grounds that he occasionally had over, short, or damage claims, and that he would be required to report such claims to another agent over the telephone instead of handling same directly with the local agent. A second witness, engaged in the dairy business and an official in the local Grange, expressed the opinion that the abandonment of the agency would be detrimental to the development of the community. He testified that he delivered the milk and cream from his dairy to the local cheese factory and therefore did not use the railroad except for occasional less-than-carload shipments which came in prepaid. Another witness, engaged in the dairy business, stated that he had shipped milk and cream via the railroad and P.M.T. Company to Redding; that during the summer months he had employed a truck to transport his milk and cream to Klamath Falls, but that he expected to again ship out of the Grenada Station. He stated that the services performed by P.M.T. Company were satisfactory but that he had previously prepaid his shipments through the local agent and in the event the agency was abandoned arrangements would have to be made to ship collect.

Other witnesses included a representative from the local Chamber of Commerce engaged in the real estate business; a representative from the Irrigation District, also engaged as Tax Collector and Water Master; a local resident engaged in the dairy business and another local resident representing the Irrigation District, engaged in the hay business. All of these witnesses stated that in their opinion the abandonment of the agency would be detrimental to the community and would adversely affect the value of land in the valley.

One of the witnesses testified that he occasionally shipped and received less-than-carload freight; another stated that he had received a few less-than-carload shipments and expected to forward some shipments of hay via the railroad in the near future, while the other two witnesses stated that they did not use the railroad as shippers of freight.

Concerning the less-than-carload shipments accorded depot delivery and the placing of a key to the freight house with a custodian, applicant pointed out that there are many non-agency points where similar arrangements are in effect. Applicant's Exhibit No. 2 indicated that the number of less-than-carload freight shipments accorded depot delivery average only four or five shipments per month. (2) While it undoubtedly is more satisfactory for patrons to transact business directly with a local agent, consideration must necessarily be given to the expense of providing such service in relation to the number of transactions which the agent has with the public. In this particular instance the less-than-carload depot deliveries apparently do not exceed one or two per week. It is also quite apparent that the number of over, short, and damage claims filed with the local agent would be relatively few.

Concerning the contention of protestant that applicant's Exhibit No. 2 shows a substantial increase in business during the current year as compared with the previous year, Exhibit No. 2 indicates that less-than-carload revenue for the 12 months ended June 30, 1942, totals \$367.00 as compared to \$459.00 for the preceding 12-month period, a decrease in revenue of \$92.00. Milk and cream

(2) This computation is made on the basis of applicant's testimony wherein it was stated that 15% of the less-than-carload shipments were delivered to the freight depot.

revenue shows an increase of \$865.00 for the 12-month period. During this period a total of 4,651 cans of milk and cream were handled at Grenada. However, applicant testified that at the time of hearing in this matter no milk and cream shipments were being handled by the railroad at this point, and that there was some question as to what disposition would be made of the milk and cream on account of war conditions. In the event milk and cream shipments are resumed, the transportation will be performed by P.M.T. Company to and from Grenada. The carload revenue for the 12-month period ending June 30, 1942, shows an increase of \$340.00 over the preceding 12 months, or an average increase of \$29.00 per month. Applicant pointed out that the carload shipments from this point during the same 12-month period included 47 carloads of potatoes, and that the movement was unusual and not likely to recur. (3) In any event, the slight increase in carload revenue does not alter the fact that the number of transactions which the agent has with the public at this point are at a minimum.

A review of the record in this proceeding indicates the following: (1) the number of necessary transactions between the agent at Grenada and the public are relatively few; (2) no passenger train service is operated; (3) the express business will not be affected; (4) less-than-carload freight will continue to be handled through the

(3) No shipments of potatoes took place at this point during the preceding year, and no shipments were contemplated for the current season.

The carload movement in and out of Grenada for the 12-month period ended June 30, 1941 and 1942, is as follows:

<u>12 months ending 6-30-42</u>		<u>12 months ending 6-30-41</u>	
<u>Received</u>	<u>Forwarded</u>	<u>Received</u>	<u>Forwarded</u>
Cattle 3	Cattle 6	Fuel Wood . . . 1	Cattle . . . 16
Lumber 2	Potatoes . . . 47	Farm Impl. . . . 1	
Misc. 2	Scrap Iron . . 1	Fuel Oil 1	
		Asphalt 2	
		Cattle 7	
Total 8	54	Total 12	16

services of P.M.T. Company with 85% of the shipments receiving store-door delivery; and (5) milk and cream shipments if and when resumed will be handled by P.M.T. Company. It therefore appears that the small volume of traffic at this point and the minor inconvenience which a very few patrons may have to contend with is not commensurate with the cost of furnishing agency service or with the shortage in essential manpower which the carriers are confronted with at this time.

Upon consideration of all the facts of record in this application and in conformity with previous decisions of this Commission in parallel cases, it appears that this application should be granted.

O R D E R

Public hearing having been held in the above-entitled proceeding and the matter having been duly submitted;

IT IS HEREBY ORDERED that applicant, Southern Pacific Company, be authorized to abandon its agency station at Grenada, Siskiyou County, California, and to change its station records and tariffs accordingly, subject to the following conditions:

- (1) Applicant shall continue said station as a non-agency station.
- (2) Applicant shall give not less than ten (10) days' notice to the public of said agency abandonment by posting notice at said station.
- (3) Applicant shall store less-than-carload freight shipments under lock in the company's warehouse and the company telephone, located at this station, shall be made available to patrons. The keys to both warehouse and telephone shall be obtainable from a custodian located at or near said station. Notice shall be maintained at said station advising prospective shippers and patrons where keys may be secured.
- (4) Applicant shall, within thirty (30) days thereafter, notify this Commission in writing of the abandonment of the facilities authorized herein, and of its 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 27th day of December, 1942.

Justus F. Casper

Francis D. Havens
Richard Jackson

Commissioners