

Decision No. 36870

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)	
(a) NORTHWESTERN PACIFIC RAILROAD)	
COMPANY to close the agency at)	
Hopland, Mendocino County, California,)	Application No. 25788
and (b) RAILWAY EXPRESS AGENCY, INC.,)	
to close its agency at said station.)	

R. S. MYERS, for applicant Northwestern Pacific Railroad Company.

EDWARD STERN, for applicant Railway Express Agency, Inc.

CHARLES KASCH, for Hopland Growers and Merchants' Committee, protestant.

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

P. STEELE LABAGH, for California Packing Corporation, protestant.

BY THE COMMISSION:

O P I N I O N

Northwestern Pacific Railroad Company and Railway Express Agency, Inc. have jointly applied to the Commission for an order authorizing the closing of their respective agencies at Hopland which is located on the main line of the railroad. For brevity, Northwestern Pacific Railroad Company will hereinafter be referred to as Northwestern Pacific and Railway Express Agency, Inc. as Railway Express.

A public hearing was held by Examiner Gannon at Hopland on October 28, 1943, and the matter was submitted on briefs which have been duly filed.

On behalf of Northwestern Pacific it is alleged in the application that under present conditions the business handled does

not warrant the continuance of an agency at said station, and that it should be maintained as a non-agency station. If said agency is closed, Northwestern Pacific proposes to utilize its warehouse for storing less-than-carload shipments. The warehouse will be kept locked but the key made available at some point convenient to the station for railroad patrons. The nearest agencies to Hopland are respectively Ukiah, 13.9 miles north and Cloverdale 14.9 miles south.

The agent of Northwestern Pacific at Hopland also acts as agent of Railway Express. On behalf of the latter applicant it is alleged that the amount of express business at said station does not warrant the maintenance of a separate agency and that the express business could be handled in the same manner as at other non-agency stations. Since passenger train service has been curtailed during the war emergency such traffic is so negligible that it is not a factor that need be considered.

At the opening of the hearing Northwestern Pacific stated that, in the event the application were granted, it would maintain an agent at Hopland station during the shipping season, which is approximately the period from August 1 to October 31. Railway Express agreed to maintain its agency on a similar basis.

The record shows that for the year ending April 30, 1943, a total of 202 carloads were handled at the Hopland station, including freight received and forwarded. Revenue allocated to the applicant during the same period totaled \$8,962.94 segregated as follows:

Western Union	\$ 10.42
Railway Express Agency, Inc.	490.65
Delivery of U.S. Mail to Post Office	36.87
Carload revenue - Local	*1320.00
Carload revenue - Interline	6064.00
Less-than-carload revenue - Local	* 545.00
Less-than-carload revenue - Interline	404.00
Agency reports (passenger fares)	1.00
Milk and cream revenue	91.00

*Figures shown represent half of total revenue from local shipments. The other half is credited to the station at the other end of the haul.

The above statement reflects only Northwestern Pacific portion of revenues. Any revenue accruing to the parent Southern Pacific Company is not included.

During the same period the station expense was \$3,088 of which amount \$2,948.74 was allocated to wages and the balance to office expenses. For the twelve months ending April 30, 1942, station expense was \$2,455 of which \$2,312 was expended in wages. No figures are available for station revenue for the calendar year 1942.

The principal car-load commodities moved out are hops, grapes, prunes, walnuts and pears. Incoming car-load shipments include liquid asphalt, oil-treated rock and gravel.

Should the agency be closed, less-than-carload inbound shipments would be unloaded at the station and placed in the company freight house, under lock and key, and the key left with a responsible person. Carload traffic would be handled through the agent at Ukiah or Cloverdale who would give the consignee or consignor such information and directions as are necessary.

The business transacted by Railway Express is nominal. The procedure would be similar to the method of handling less-than-carload freight shipments. While both the railroad and the express company have had difficulty in supplying man-power, the

application is not based on that ground but on the allegation that the maintenance of these agencies is not compensatory.

Eleven witnesses appeared in protest against the granting of the application. For the most part they were growers, merchants and representatives of packing houses. Generally, their protests were based on the ground that the amount of business transacted at Hopland station, as disclosed by testimony of witnesses and exhibits, warranted the continuance of a full-time agency. Moreover, it was contended that the evidence indicated an increased volume of business for the year 1944. Nearly all the witnesses objected to the method of keeping less-than-carload shipments under lock and key until claimed by consignee, alleging the inconvenience and impracticability of such service as well as the refusal of the carrier to accept liability for shipments so stored. It is referred to in one of the protesting briefs as a "cafeteria" style of service. Witnesses further testified that they used Northwestern Pacific rail service both for carload and less-than-carload shipments. Commodities moved in carloads outbound are agricultural products such as pears, hops, hay and grain, and inbound are carload lots of road building material and empty boxes. One shipper testified that he shipped out four to five hundred tons of pears and between seventy and ninety bales of hops per year.

Hopland is the trading center for the Sanel Valley and surrounding area, with a population of approximately 600. The County Board of Supervisors of Mendocino County, opposing the application, estimates the quantity of farm products shipped out annually as follows: pears (fresh) 200 tons, prunes 250 tons, hops 2000 bales, pears (dried) 40 tons.

In our opinion the evidence in this proceeding fails to support the rail company's contention that the station should be closed for nine months of the year. There is a conflict of evidence as to the approximate duration of the shipping season. The railroad claims such season begins August 1 and ends October 31. Witnesses testified that it ran into November and December and even January. In any event, it is quite clear that the heavy shipping extends for a longer period than that alleged by applicant.

In the instant case a substantial revenue is accrued to applicant without giving consideration to the fact that Northwestern Pacific is a wholly owned subsidiary of Southern Pacific Company, and undoubtedly a considerable portion of the "Interline Revenue" finds its way into some other pocket of the parent company. The Commission has in the past denied applications to close agencies where the revenue was considerably less than that portion credited, in this instance, only to the Northwestern Pacific at Hopland.

The Commission has given due consideration to the testimony of applicants and protestants herein. It is true that the amount of less-than-carload business has frequently been relied on as a convenient means of measuring the necessity for maintaining a station agency. We do not concede that it is the only factor that should be considered. Neither can the amount of revenue derived from a station be used as a measuring stick. The number of shippers affected, the nature of the commodities shipped or received, the distance to other agencies, and the convenience of the general public are matters to be taken into account.

Giving full consideration to these matters, and to the evidence of record, we are convinced that Northwestern Pacific should continue to maintain an agent at Hopland at least for the

remainder of the year 1944. Should it appear at that time that the amount of business transacted does not warrant maintaining an agent, then the way is open for applicant to renew its request. The application will be denied without prejudice.

Inasmuch as the application of Railway Express to close its agency at Hopland is dependent upon the further maintaining of an agent by Northwestern Pacific, the application of Railway Express will also be denied.

O R D E R

Northwestern Pacific Railroad Company and Railway Express Agency, Inc., having filed the above entitled application for authority to close their respective agencies at Hopland, California, public hearing having been held, and the Commission being duly advised,

IT IS ORDERED that the above entitled application be denied without prejudice.

The effective date of this order shall be the date hereof.

Dated at Los Angeles, California, this 15th day of February, 1944.

Richard Kachse
Justin F. Casner
Francis L. Havenner

Francis L. Havenner
COMMISSIONERS