

ORIGINAL

Decision No. 37547

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 (a) Southern Pacific Company )  
 to close the agency at Garnet, )  
 Riverside County, California; and ) Application No. 26240  
 (b) Railway Express Agency, Inc. )  
 to close its agency at said station. )

C. W. Cornell, for applicants Southern Pacific Company and Railway Express Agency, Inc.

L. W. Coffee, for Desert Hot Springs Improvement Association; Garnet Chamber of Commerce; Cabot Yerxa; Homer A. Stuart; R. T. Proebstel; E. A. Greene; G. B. Wade; A. Stanley-Jones; and C. S. Tipton, protestants.

BY THE COMMISSION:

O P I N I O N

Southern Pacific Company and Railway Express Agency, Inc., have jointly applied for an order authorizing the closing of their respective agencies at Garnet, County of Riverside.

A public hearing was held at Palm Springs on September 15, 1944, before Examiner Chiesa at which time the matter was submitted.

Hereinafter the applicants will be referred to as Southern Pacific and Railway Express.

Garnet is located on the main line of the Southern Pacific, 22.8 railroad miles west of Indio. The nearest agency station is Palm Springs station, 5.5 railroad miles west of Garnet. The highway distance between these two points is approximately nine miles.

Applicants' position is that under present conditions the business handled at Garnet station does not warrant the expense of maintaining an agency there and that it should be made a non-agency station until such time as sufficient traffic develops to justify again maintaining the agency.

Garnet was, until recently, a train order station where a telegraph operator was on duty continuously. Three such operators were employed, one of them being the agent. In March of this year central traffic control was installed in this district thereby eliminating the need for telegraph service in connection with train operation and since then but one man acting as agent for both applicants has been employed. Garnet is not a passenger station nor has any express been handled there in the recent past. There is now no telephone or telegraph service at the station.

On behalf of Railway Express it is alleged that the amount of express business transacted at said station does not warrant the maintenance of a separate agency. The evidence shows that the express business is so negligible that it need not be considered a factor.

1 (Exhibit No. 3); Railway Express Agency, Inc.,  
Statement of Revenue, Shipments and Expenses for  
May 1943 to April 1944, Inclusive  
Garnet, Calif.

	<u>Forwarded</u>		<u>Received</u>		<u>Total</u>		
	<u>Revenue</u>	<u>Shipments</u>	<u>Revenue</u>	<u>Shipments</u>	<u>Revenue</u>	<u>Shipments</u>	<u>Expense</u>
<u>1943</u>							
May	-	-	\$ 14.99	5	\$ 14.99	5	\$ 1.50
June	-	-	3.55	6	3.55	6	.36
July	5.38	1	12.56	4	17.94	5	1.79
August	3.42	1	5.15	8	8.57	9	.86
September	-	-	12.65	6	12.65	6	1.27
October	-	-	99.30	6	99.30	6	9.93
November	-	-	41.87	6	41.87	6	4.19
December	.25	1	4.42	4	4.67	5	.47
<u>1944</u>							
January	-	-	3.42	1	3.42	1	.34
February	-	-	-	-	-	-	-
March	1.20	1	-	-	1.20	1	.12
April	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$10.25</b>	<b>4</b>	<b>\$ 197.91</b>	<b>46</b>	<b>\$ 209.16</b>	<b>50</b>	<b>\$ 20.83</b>
<b>Mo. Avg.</b>	<b>\$ .85</b>	<b>-</b>	<b>\$ 16.49</b>	<b>4</b>	<b>\$ 17.35</b>	<b>4</b>	<b>\$ 1.74</b>

A comparison of the Southern Pacific business handled at this station for the years ending April 30, 1943 and 1944, respectively, is shown below.<sup>2</sup>

<sup>2</sup> (Exhibit No. 2).

Southern Pacific Company  
Comparison of Business Handled at Garnet, California, During  
Twelve Months Ended April 30, 1943, and April 30, 1944, Respectively

STATION DATA	YEAR	AVERAGE	YEAR	AVERAGE	AVG. PER MO.	
	ENDED 4-30-44	PER MO.	ENDED 4-30-43	PER MO.	COMPARISON	INCR. DECR.
	(a)	(b)	(c)	(d)	(e)	(f)
Baggage handled - pieces	7	1	15	1	-	-
Number of waybills made	28	2	82	7	-	5
Number of freight bills made	62	5	311	26	-	21
Western Union Messages $\emptyset$	253	21	420	35	-	14
<b>FREIGHT RECEIVED AND FORWARDED</b>						
Carloads - Cars	19	2	286	24	-	22
Carload revenue - Local*	\$ 943	\$ 79	\$ 22,858	\$ 1,905	-	\$ 1,826
Carload revenue - Interline	\$2,124	\$177	\$ 36,796	\$ 3,066	-	\$ 2,889
Less-than-carload revenue -						
Local*	\$ 59	\$ 5	\$ 170	\$ 14	-	\$ 9
Less-than-carload revenue -						
Interline	\$ 189	\$ 16	\$ 581	\$ 48	-	\$ 32
<b>PASSENGERS AND REVENUE</b>						
Agency reports - passengers	-	-	-	-	-	-
Agency reports - revenue	-	-	-	-	-	-
Milk and cream - cans	-	-	-	-	-	-
Milk and cream - revenue	-	-	-	-	-	-

Station Expenses Compared with Less-than-carload and Ticket  
Revenue for the Year Ended April 30, 1944

Station Expense	\$8,538
Average per month	\$712
Less-than-carload revenue	\$248
Average per month	\$ 21
Ticket Revenue (Agency Reports) -	-
Average per month	-
Total Average Revenue per	
month for LCL and Ticket	
(Agency Report) sales	\$ 21

\*For 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 revenue derived therefrom.  
 $\emptyset$ Western Union service was discontinued February 25, 1944.

The carload revenue of \$59,654 for the year ending April 30, 1943, is attributable to two Army projects at Palm Springs, the major portion of this business being nonrecurrent. Nineteen carloads of freight were received and forwarded in the year ending April 30, 1944, as compared to 286 cars the previous year. Indicative of the present trend are the figures for the months of August, 1943, to May, 1944, when three carloads were received and two forwarded.<sup>3</sup>

Less-than-carload revenue, local and interline, amounted to \$751 in the 1943 period and \$248 the following year. From January 1, 1944, to March 15, 1944, two and half seasonal months, there were four shipments of LCL freight weighing a total of 985 pounds.

Station expense of \$8,538.00 for the year ending April 30, 1944, represents wages for three employees in the amount of \$8,192.57, "station supplies and expenses" \$301.80, and "stationery and printing" \$44.09. Since March, 1944, only one employee has been engaged at Garnet, reducing the annual expense to \$3,230.00. The average annual LCL revenue, local and interline, for the indicated two-year period is \$499.50. On a monthly basis the average expense amounts to \$269.00 and the LCL revenue is \$41.67.

<sup>3</sup> Carloads of freight received and forwarded at Garnet for year ending April 30, 1944:

<u>Received</u>	<u>Forwarded</u>
2 Beer	1 Horses
1 Horses	2 Lumber
6 Lumber	3
1 Paint	
1 Wallboard	
3 Plasterboard	
1 Poles	
1 Wood shavings	
<u>16</u>	

For period of August 1, 1943, to May 1, 1944:

<u>Received</u>	<u>Forwarded</u>
2 Beer	1 Horses
1 Horses	1 Lumber
<u>3</u>	<u>2</u>

Applicant Southern Pacific proposes to maintain a non-agency station handling LCL freight by having the train crews load and unload shipments. A key would be made available to the public and a bill box provided within the freight house for the deposit of bills, receipts, instructions, etc. No telephone is now available; however, facilities for installation are close by. For convenience in contacting agency stations such installation is desirable. The railroad contends that such limited service at Garnet, supplementing the service available at the nearby open agency at Palm Springs station, is justified in view of the small amount of business now handled.

The granting of the application was opposed by eight residents of Garnet and vicinity. One also represented the Desert Hot Springs Community Association and another the Garnet Chamber of Commerce. The latter organization has a membership composed of business men and property owners. Garnet Valley is a desert residential, health, and recreational area. The record indicates that shipments from this area are small. There are in the neighborhood of 200 homes and 300 to 400 residents in the "Valley," and the business establishments consist of a general store with cafe and garage, guest ranch, lumber yard, real estate office, etc., such as are usually found in sparsely settled communities of this type.

The position of the protestants is that the proposed abandonment would inconvenience the public; that Garnet is the logical place for the Southern Pacific to have an open agency with all the service usually associated with such a station; that present business conditions are not normal; that Garnet Valley is a growing community which now requires and would in the postwar period justify the continuation of the agency.

Of the six witnesses who testified, three have in the past or are now receiving or forwarding LCL freight and express. The present LCL business transacted by them with applicant Southern Pacific is light. There is evidence to indicate that this may be due to present war conditions and somewhat to unsatisfactory service on the part of applicant railroad. Considering the testimony of all the witnesses it appears that the principal objections to the closing of this agency are, first, that the people of this community would be inconvenienced by having the nearest open agency at Palm Springs station, about nine highway miles from Garnet and, second, that Garnet and not Palm Springs station should be the open agency station serving the Garnet community north of the Southern Pacific right of way, as well as Palm Springs, which is five and a half miles south of Garnet and approximately ten miles southeast of the Palm Springs station. The first witness operates a grocery, cafe, and garage at Garnet. He has been a resident there for the past twelve years and up to five years ago received LCL rail shipments. He now receives most shipments by truck. The second witness resides at Seven Palms, three miles from Garnet. In the past five years he has received numerous LCL rail shipments and still uses this service although infrequently. He would continue to use applicant Southern Pacific's facilities and also wants an express service. A third protestant is manager of a nearby guest ranch. He testified that his principal requirements are for an express service for the perishable foods and groceries used at the ranch. He now receives his shipments at Palm Springs where they arrive by truck. The remaining three witnesses, residents of Garnet "Valley", transact little, if any, business with applicants. All of said witnesses were strong in their belief in the future development of this area and that Garnet is where the agency should be maintained. Most of them also were of the opinion that

applicant railroad has discouraged business at Garnet in favor of Palm Springs station but this is not supported by substantial evidence.

The Commission has given due consideration to the testimony of applicants and protestants herein. We have considered the amount of carload and less-than-carload business transacted at this agency, as well as the revenue derived and expenses incurred. The distance to other agencies, and the convenience to the general public have also been taken into account.

As to anticipated growth of the community and postwar business at this agency, we are not now prepared to nor is it necessary for us to decide. It may be that the public interest will then require a reopening of the Garnet agency, and if so the way is open for the filing of an application with this Commission.

Upon consideration of the facts of record in this application, we are of the opinion and find that the maintenance of applicants' agencies is not compensatory; that the number of transactions at the Garnet agency is relatively few; that no passenger train service is operated; that carload freight service will not be materially affected; that less-than-carload service will continue to be handled in the limited manner indicated and that the inconvenience which a few patrons may have to contend with is not commensurate with the cost of furnishing agency service.

Therefore the application of each applicant will be granted.

#### O R D E R

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

IT IS HEREBY ORDERED that Southern Pacific Company and Railway Express Agency, Inc., be authorized to abandon their joint agency station at Garnet, Riverside County, California, and to change

station records and tariffs accordingly, subject to the following conditions:

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

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

Dated at San Francisco, California, this 12<sup>th</sup> day of December 1944.

Richard K. Baker  
Julius F. Carlson  
Francis R. Havens  
W. W. O'Connell  
Wm. H. K. Kelly  
Commissioners