

ORIGINAL

Decision No. 43322

BEFORE THE PUBLIC UTILITIES 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 at) Application No. 30323
Riverdale, County of Fresno, State of)
California, and to maintain the same)
as a non-agency station.)

R. S. Myers, for applicant.
I. S. Wilson and C. E. Mallachowitz, for Order of
Railroad Telegraphers, protestant.
Arthur Wise, for Riverdale Chamber of Commerce,
protestant.

O P I N I O N

By this application, the Southern Pacific Company seeks authority to change its Riverdale station, in Fresno County, from an agency to a non-agency station.

A public hearing was held at Fresno on July 29, 1949, before Examiner Gannon, at which time the matter was submitted.

The Riverdale Branch of the Southern Pacific Company leaves the main central San Joaquin Valley line at Goshen Junction and extends westerly and northwesterly a distance of 64.8 miles to its contact with the main westside San Joaquin Valley line at Ingle. The principal points served by this rail branch are Hanford, Armona, Hardwick, Riverdale, Helm, San Joaquin and Tranquility, in the geographical order named. Helm, the nearest agency station northwesterly from Riverdale on this branch, is 15.6 rail miles and 20 highway miles distant. Armona, the nearest agency station southwesterly from Riverdale on this line, is 15.6 rail miles and 16 highway miles distant.

The principal commodities received in carload quantities during the past year were animal and poultry feed, lumber, pipe and pipe fittings. No carload traffic originated at Riverdale during the year ended May 31, 1949. Carload traffic during 1948⁽¹⁾ was 88 cars of 2,757 tons as compared with 1949 when 86 cars of 2,791 tons were handled. Less than carload traffic decreased from 201 tons in 1948 to 136 tons in 1949 (Exhibit No. 2).

Following is a summary of revenues and expenses at the Riverdale agency station as reflected by Exhibit No. 1:

	<u>Year Ending</u>	
	<u>May 31, 1948</u>	<u>May 31, 1949</u>
1. Total Station Revenue	\$ 20,117	\$ 27,137
2. Total Carload Freight Revenue	15,160	23,121
3. Total Station Revenue exclusive of Carload Freight Revenue (1 minus 2)	4,957	4,016
4. Total Station Operating Expense	3,367	3,712

In the above tabulation all revenue from freight both received and forwarded at Riverdale is included, while the station expense is out-of-pocket cost of the agency at Riverdale exclusive of any general overhead allocations.

In support of its application, applicant introduced testimony stressing the following points:

(1) That in handling carload freight, notices of arrival would be mailed to the consignee instead of the consignee being informed by the Riverdale agent, and that cars could be ordered by calling the adjacent agency at Holm or Armona on company telephones provided in the Riverdale station.

(1) When used in this opinion and order, 1948 and 1949 indicate year period ending May 31 of each year respectively.

(2) Less-than-carload shipments would continue to be picked up or delivered, as at present, at all points within a mile radius of the Riverdale depot by Pacific Motor Trucking Company store-door trucking service. All other less-than-carload freight would continue to be handled through the Riverdale station. Shipments would be placed under lock in the station and a key would be kept at the quarters of the section foreman, approximately one block distant from the station. A key to the station lock would also be issued to any responsible person anticipating the need of admittance to the station. Notice would be mailed to consignee when a shipment was left in the station and the station telephone could be used to notify the company when a shipment was left at the station for pickup.

(3) Bills of lading for both carload and less-than-carload shipments would be made out by the shipper, or his representative, rather than the agent or with the agent's help, from a supply of blanks left at the station or furnished to the individual shippers.

(4) Shippers and consignees would be able to forward pre-paid shipments and receive collect consignments by filing a bond with the Southern Pacific Company; the bond would be executed at no expense to the customer.

(5) An existing company telephone located at the station would be available for the transaction of any business with the company and its agencies, this telephone being connected with its Fresno exchange.

(6) That other non-agency stations handling comparable or greater traffic volume were operating satisfactorily, although no evidence was presented to indicate similar conditions from the

standpoint of public convenience and necessity with those at Riverdale.

(7) That less-than-carload traffic had materially decreased in volume in the past two years, particularly in local shipments which must be handled by a company agent at both point of origin and destination.

(8) That the full cost of handling shipments, including both direct agency expenses at Riverdale and a company system-wide allocation of the balance of expenses, exceeded the total revenue at Riverdale by \$2,294 in 1948 and \$1,276 in 1949 (Exhibit No. 1).

However, the Commission believes that the use of such deficits, as a criterion for discontinuance of an agency, seems improper, since it was shown that no saving could be realized in the large allocated balance of expenses derived on a system basis.

(9) That arrangements had been made by Railway Express Agency with a merchant in Riverdale to continue its agency now held by the railroad. Therefore, the same service will be rendered by Railway Express Agency since it is not a party to this application.

In opposition to the changing of Riverdale from an agency to a non-agency station protestants called three witnesses who testified generally to the following effect:

(1) That an agent was a decided convenience in transacting business with the railroad, by furnishing information in person and in assisting in making up all types of bills of lading.

However, evidence presented by applicant indicated that no carload business was forwarded from Riverdale in 1949 and a proportionately small volume of less-than-carload freight (15 tons)

was forwarded during the same period.

(2) That in the event of pilferage of less-than-carload freight in the locked compartment of the station the railroad might not be willing to assume responsibility.

(3) That carload freight when inspected and sealed by the agent is then the responsibility of the railroad, while without an agent present the shipper would be responsible for freight until it is in the custody of the train crew.

(4) When loss or damage exists in a shipment received, material delay and inconvenience would be experienced by the consignee before the condition could be examined by the railroad and the freight unloaded.

However, the company's witness stated that pilferage was a very rare occurrence in the San Joaquin Division.

(5) That residents in the area beyond the mile radius of Riverdale would be inconvenienced in receiving less-than-carload shipments, and some would have difficulty in expressing themselves over a telephone.

(6) That the shippers and receivers of freight found it convenient and preferred to handle collect inbound and prepaid outbound shipments through an agent rather than securing and filing a surety bond.

(7) That Western Union Telegraph service, which would be available only if an agent were present, was a decided convenience to the residents of the area.

(8) That the population of Riverdale, based on water customers,

had increased recently to between an estimated 800 to 1,000.

(9) That a grain elevator has just been constructed by one of the Riverdale merchants, and it was hoped that as much as 100 carloads of grain a year would move through this elevator.

However, it was pointed out that this would not be new traffic developed, and no assurance was offered that all of the grain would move by rail.

(10) That an automobile sales agency has recently been opened in Riverdale, and it was anticipated that new automobiles would be received by carload direct from the factory.

(11) That total revenue at this station increased from \$20,117 in 1948 to \$27,137 in 1949.

However, it was pointed out by applicant that this advance in revenue was due mainly to an increase in rates, the traffic being nearly the same in carload quantities and showing a decrease in other services.

The Commission has given due consideration to the testimony of applicant and protesting witnesses. The volume of carload and less-than-carload business transacted at this agency, both forwarded and received, as well as the revenue derived and agency expenses, has been considered. The location of this station with respect to other agencies of the railroad as well as the convenience and necessity of the general public has been taken into account.

Upon consideration of the facts of record in this proceeding, the Commission is of the opinion and finds that maintenance of the applicant's agency at Riverdale is not compensatory, based on the station revenue other than that derived from carload freight,

and the direct agency expenses accruing. A definite trend downward in this revenue and volume of business and an increase in station expenses at Riverdale is apparent, which has narrowed the margin to the point where little remains to defray the cost of actually transporting less-carload-freight.

In view of the fact that very little traffic is forwarded from Riverdale, it appears that the inconvenience to the public through agency abandonment would be minimized insofar as assistance in preparing bills of lading is concerned. The handling of carload freight would be similar to that performed on industrial sidings throughout the railroad system.

Upon the development of such additional freight business at Riverdale where public convenience and necessity would again require the establishment of a railroad agency, this Commission maintains the authority to order such agency re-opened.

The Commission concludes, therefore, that the application of Southern Pacific Company should be granted.

O R D E R

A public hearing having been held in the above entitled proceeding, the matter having been duly submitted, and the Commission being advised,

IT IS ORDERED that Southern Pacific Company is authorized to abandon its agency station at Riverdale, Fresno County, California, and to change 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 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 depot located at Riverdale station, and shall make a company telephone available to patrons at said station. The keys to the freight house shall be obtainable from a custodian located near said station. Notice shall be maintained at said station advising prospective patrons where key may be secured.

(4) Applicant shall, within 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 90 days after the date hereof, unless further time is granted by subsequent order.

The effective date of this order shall be 20 days after the date hereof.

Dated at Los Angeles, California, this 20th day of September, 1949.

R. E. Indrany
Justus J. Casner
Robert J. Powell
Harold A. Kula
Benjamin D. Patten
 COMMISSIONERS