

ORIGINAL

Decision No. 44188

BEFORE THE PUBLIC UTILITIES 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 "THE ATCHISON, )  
 COMPANY"), and RAILWAY EXPRESS AGENCY ) Application No. 30782  
 INCORPORATED, a corporation (herein- )  
 after called the "EXPRESS AGENCY"), )  
 for authority to reduce agency service )  
 at its station at Winton, California. )

- William F. Brooks for applicants.
- Joseph B. Mello, in propria persona, protestant.
- E. B. Galbrath, in propria persona, protestant.
- Victor Candlish, in propria persona, protestant.
- Board of Supervisors, Merced County, by Ernest Griffin, protestant.
- L. T. Powell, in propria persona, protestant.
- Walter Crawford, in propria persona, protestant.
- William B. Treadwell, District Attorney, Merced County, protestant.

O P I N I O N

The Atchison, Topeka and Santa Fe Railway Company, by the  
 (1)  
 instant application, requests the Commission to authorize it to  
 maintain Winton, California, as an agency station during the period  
 June 1 to October 31 of each year and in a non-agency status for the  
 remaining months of the year.

A public hearing was held on Friday, April 28, 1950, at  
 Merced, before Examiner Silverhart and the matter submitted for  
 decision.

Applicant's agency stations nearest to Winton, which is  
 located on its main line, are Denair and Merced, distant therefrom  
 14.2 miles westerly and 9.3 miles easterly, respectively.

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(1) Railway Express Agency, Inc. joined in the application.

Winton station is open daily except Saturday and Sunday from 9:00 a.m. to 12:00 noon and 1:00 p.m. to 6:00 p.m. Local freight service, during the working hours of the day, is provided in the forenoon, eastbound, and in the afternoon, westbound. The Southern Pacific Company maintains an agency station at Atwater, three miles to the south.

It is proposed, in the event the Commission authorizes the change herein requested, to deliver carload shipments at Winton and take way bills to the nearest agency station from which the consignees would be notified by U. S. postal card and telephone (if available). On outbound movements, car orders would be placed with the nearest agent who would spot cars for loading and arrange for pickup. Bills of lading either could be deposited in a box at Winton for collection by the conductor or delivered by the shipper to the Merced or Denair agencies. Consignees of prepaid, less-than-carload shipments would be advised thereof in the manner provided for carloads. Such shipments would be unloaded at Winton Station, and, at the owner's risk, there placed in an unlocked building. Shippers would be required to transport less-than-carload shipments to Merced or Denair for outbound movements.

(2)  
Exhibits introduced into evidence by applicant set forth the volume of freight business handled at Winton for the period 1948-1949, both inclusive and may be summarized as follows:

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(2) Exhibits "6", "7" and "8".

Years 1948 and 1949

	<u>Carloads</u>		<u>Decrease</u>		<u>Less-than-Carld.(lbs.)</u>		<u>Increase</u>	
	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>
<u>1948</u>	121	390			9,084	348,840		
<u>1949</u>	45	41	62.8%	89.5%	25,864	299,432	184.7%	14.2% (Decrease)

June to October, inclusive, 1948 and 1949

	<u>Carloads</u>		<u>Decrease</u>		<u>Less-than-Carld.(lbs.)</u>		<u>Increase</u>	
	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>
<u>1948</u>	121	377			2,093	163,560		
<u>1949</u>	21	29	82.6%	92.3%	10,170	107,679	385.9%	34.2% (Decrease)

January to May, inclusive, and November and December,  
1948 and 1949

	<u>Carloads</u>		<u>Decrease</u>		<u>Less-than-Carld.(lbs.)</u>		<u>Increase</u>	
	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>	<u>Fwd.</u>	<u>Recd.</u>
<u>1948</u>	0	13			6,181	185,280		
<u>1949</u>	24	12		7.7%	15,694	191,753	153.9%	3.5%

The financial result of the operation at Winton is illustrated by Exhibits "3", "4", and "5", consolidated extracts of which follow:

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
(a) Ratio of System Operating Expenses, excluding Station Expenses and System Revenue	82.88%	82.72%	81.87%	83.14%

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
b) Total Santa Fe Proportion of Freight Revenue on For- warded and Received Traffic Winton.	\$ 38736	\$ 24589	\$ 77445	\$ 8042
Carload	\$ 35782	\$ 20935	\$ 73673	\$ 4619
Less Carload	2954	3654	3772	3423
Interline	33069	19898	59144	1071
Local	5667	4691	18301	6971
 <u>June to October, incl.</u>	 \$ 34100	 \$ 20314	 \$ 74760	 \$ 3665
Carload	\$ 32813	\$ 18730	\$ 72944	\$ 2331
Less Carload	1287	1584	1816	1334
Interline	30887	17950	57903	377
Local	3213	2364	16857	3288
 <u>June to October, incl. and November and December</u>	 \$ 4636	 \$ 4275	 \$ 2685	 \$ 4377
Carload	\$ 2969	\$ 2205	\$ 729	\$ 2288
Less Carload	1667	2070	1956	2089
Interline	2182	1948	1241	694
Local	2454	2327	1444	3683

In allocating revenue to Winton, applicant applied only one-half of the total proportion of freight revenue on forwarded and received traffic plus passenger, express, miscellaneous and milk and cream. Such method of computation is not warranted where, as here, revenue is derived from interline as well as local traffic.

The figures contained in the following tabulation were developed by assigning all of interline and one-half of local revenue (plus such passenger, express and other revenue) to revenue applicable to Winton:

	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
	\$	\$	\$	\$
1) Revenues applicable to Winton	39,583.50	26,622.00	69,122.00	5,263.50
June to Oct. incl.	34,947.50	21,684.00	66,692.50	2,148.50
Jan. to May incl. and Nov. and Dec.	4,636.00	4,938.00	2,429.50	3,115.00
2) Operating Expenses, other than station, incurred in earning revenue applicable to Winton ((a) in table above, xl)	32,806.80	22,021.71	56,590.18	4,376.07
June to Oct, incl.	28,964.48	17,937.00	54,601.74	1,786.26
Jan. to May incl. and Nov. and Dec.	3,842.31	4,084.71	1,989.03	2,589.81
3) Actual station expense at Winton	10,482.00	10,515.00	8,815.00	8,426.00
June to Oct. incl.	4,527.00	4,383.00	3,579.00	3,308.00
Jan to May incl. and Nov. and Dec.	5,955.00	6,132.00	5,236.00	5,118.00
4) Not loss operation Winton (2+3-1)	3,705.30	5,914.71	3,716.82 (Profit)	7,538.57
June to Oct. incl.	1,456.02 (Profit)	636.00	8,512.35 (Profit)	2,945.76
Jan. to May incl. and Nov. and Dec.	5,161.32	5,278.71	4,795.53	4,592.81
5) Ratio of station expense to revenue at Winton (3÷1)	% 26.48	% 39.49	% 12.75	% 160.9
June to Oct. incl.	12.95	20.21	5.36	154.00
Jan. to May incl. and Nov. and Dec.	128.45	124.17	215.56	164.3

Applicant did not offer any evidence as to its operations during 1950.

L. T. Powell, fruit farmer and protestant, testified that he has resided in Winton for over seventeen years; that the number of retail stores has increased steadily; that in 1940 the number of

registered voters in two of the Winton precincts totalled 247; that in 1950 there are 499 registered voters, an increase of 102.02%; that a population of 1500 is now indicated for such precincts.

Walter Crawford, a protestant, testified that he is a farmer engaged in turkey breeding and the production of hatching eggs, a very perishable item; that the production period extends from January to May and occasionally to June; that Merced County is the largest turkey producing area in the world with a great number of turkey breeders concentrated in the Winton area. The witness stated in 1949 he shipped 178,000 eggs to eastern points and during the current year already has forwarded 165,000 eggs; that his shipments move only by rail; that if Winton Station is closed he will be required to move some of his shipments via Southern Pacific Company, whose schedule is two days slower than applicants; that timely delivery is essential. Further, he testified that the G & M Equipment Company of Winton has accelerated the manufacture and shipment of heavy equipment for Ford tractors destined for eastern points; that the agent at Winton not only is not attempting to obtain business but on one occasion actually discouraged it.

Two other public witnesses were present and ready to testify. Counsel for applicant stipulated that their testimony, if given, would be of the same tenor, on direct and cross-examination, as that of the other public witnesses.

Applicant earned a profit in hauling Winton traffic during the year 1948<sup>(3)</sup> but sustained a loss therein in 1949 due to a sharp

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(3) Applicant's Valley Division superintendent testified that the revenue of \$77,445 received in 1948 was due in large part (\$22,069) to inbound shipments by the Federal Government of 364 cars of potatoes.

decline in revenue. However, it should be noted that the superintendent of applicant's Valley Division testified that the packing shed at Winton burned down in 1949 and as a result thereof there were no tomatoes and peaches, items of major revenue, packed at and shipped from Winton. He further testified that while the packing sheds are not presently tenanted, negotiations are now pending for a lease thereof. The evidence disclosed that the dehydrator destroyed in the fire has been rebuilt and is presently being utilized in the processing of onions. Less-than-carload shipments forwarded in 1949 increased 184% over 1948, the greater increase by weight occurring during the months applicant desires to maintain Winton in a non-agency status. Revenue for the period January to May, inclusive, and November and December, 1949, exceeded that for the remaining months of the year, the same being true of carload shipments forwarded during such periods.

Resumption of normal activities by the packing sheds coupled with a program for stimulating business may very well produce a substantially increased revenue.

Upon consideration of all the facts, as disclosed by the evidence herein, and the application thereto of the factors <sup>(4)</sup> pertinent in a proceeding of this kind, we conclude and hereby find that public convenience and necessity require that Winton be continued as an agency station.

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(4) See application of Southern Pacific Company, et al, Decision No. 42469, dated February 1, 1949, Application No. 29735, (48 Cal PUC 407).

ORDER

A public hearing having been held, the Commission being fully informed and basing this order upon the evidence adduced and the conclusions and findings set forth in the foregoing opinion,

IT IS ORDERED:

That Application No. 30782 be and the same is hereby denied.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of May, 1950.

R. E. Anderson  
Justus F. Calmes  
W. H. Russell  
Harold F. Hule  
Penelope Potts  
 COMMISSIONERS