

ORIGINAL

Decision No. 44818

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)	Application No. 31549
Agency at Capitola, County of)	
Santa Cruz, State of California,)	
and to maintain the same as a Non-)	
agency Station.)	
-----)	

R. S. Myers for Applicant
I. S. Wilson and P. C. Morris for Order of Railroad Telegraphers
Bradley M. MacDonald for City of Capitola
Elmer S. Andersen for Capitola Chamber of Commerce
Alvin Wendt, in propria persona, Protestants

O P I N I O N

The Southern Pacific Company herein requests authority to convert its station at Capitola, Santa Cruz County, from an agency to a non-agency station.

A public hearing was held at Capitola on Friday, August 25, 1950, before Examiner Silverhart and the matter submitted for decision.

Applicant's agency stations nearest Capitola are Santa Cruz and Watsonville, distant therefrom 4.7 miles easterly and 13.9 miles westerly, respectively.

It is proposed, in the event the Commission authorizes the change herein requested, to deliver bonded and prepaid carload shipments at Capitola. Notification to the consignees thereof will be effected by the agent at Santa Cruz by means of U. S. postal

(1) A bonded shipper or consignee is one who has posted a bond with applicant conditioned upon the payment of freight charges up to a specified sum. Collect carload shipments, inbound and outbound, wherein neither shipper nor consignee is bonded will be held for payment of the freight charges and the consignee so notified by the agent at Santa Cruz.

card and telephone (if available). Car orders on outbound movements, would be telephoned ⁽²⁾ to the agent at Santa Cruz who would spot cars for loading and arrange for pickup. Bills of lading could be deposited in a box at Capitola for collection and signature by the conductor or delivered to Santa Cruz by the shipper. Pacific Motor Trucking Company would afford store-door delivery within a radius of one mile from the center of Capitola for inbound prepaid less-than-carload shipments. Consignees who are not available at the time of delivery or who are not located within the Pacific Motor Trucking Company delivery zone will be notified by the agent at Santa Cruz that such shipments have been locked in the warehouse at Capitola station. On outbound movements, shippers would be required to transport collect less-than-carload shipments to Santa Cruz. Prepaid less-than-carload shipments would be deposited in the Capitola warehouse, under lock, and picked up by Pacific Motor Trucking Company and taken to Santa Cruz. Consignees and shippers would gain access to the warehouse by means of keys provided by Applicant. Delivery of shipments consigned to shipper's order would be effected after payment of freight charges and surrender of the bill of lading to the agent at Santa Cruz. Applicant does not now render passenger service to Capitola except on Sundays and holidays during the Summer season.

Exhibit 2, introduced into evidence by Applicant, sets forth the volume of freight traffic handled at Capitola during the two twelve month periods which ended May 31, 1949 and May 31, 1950, respectively, and may be summarized as follows:

(2) Applicant will bear the cost of such telephone service.

Year ended	Carloads		Decrease		Less-than-Carloads (Tons)		Decrease	
	Fwd.	Rec'd.	Fwd.	Rec'd.	Fwd.	Rec'd.	Fwd.	Rec'd.
May 31, 1949	9	72			9	182		
May 31, 1950	9	11	--	84.7%	9	97	--	46.7%

The financial result of the operation at Capitola is illustrated by the tabulation following:

(1)	Year ended May 31, 1949	Year ended May 31, 1950
(a) System operating ratio, excluding Station Expenses	88.48%	87.33%
(b) Ratio Station Expense, all stations to revenue	4.96%	5.04%
(2) Gross operating revenue Capitola (in dollars)		
(a) Carload-local	\$ 5,134	\$ 3,861
(b) Carload-interline	5,503	2,662
(c) Less Carload - local	3,287	1,874
(d) Less Carload - interline	729	639
(e) Passenger tickets	1,163	842
(f) Milk	1	
(g) Western Union	40	33
(h) Express	5,693	3,585
(i) Storage	36	33
(j) Demurrage	13	2
(k) Total	\$ 21,662	\$ 13,531
3) Cost of handling all traffic excluding station expense (2 (k) X 1 (a))	\$ 19,166	\$ 11,816
4) Station operating cost at Capitola	3,801	3,678
5) Cost of handling all traffic including station expense (3 + 4)	22,967	15,494
6) One-half station operating ratio (1 (b) x 2 (a) + 2 (c))	209	144
7) Total Cost handling Capitola traffic (5 + 6)	23,176	15,638
8) Amount by which cost of handling Capitola traffic exceeds revenue on such traffic (7-2 (k))	1,514	2,107

(3) Data derived from applicant's Exhibit 1.

Two shippers testified in opposition to the application. Their testimony disclosed that they are engaged in the production of flower bulbs and feed; that most of the carloads⁽⁴⁾ forwarded from Capitola were shipped by them; that the bulk of less-than-carload shipments now does not move from Capitola but is transported to Santa Cruz by Pacific Motor Trucking Company; that they are little concerned with inbound movements; that they will not be unduly inconvenienced if the application were granted.

Florence S. Porter, owner of the Capitola Pet Shop, testified that in conducting her business she utilized the telegraphic facilities at Capitola station. The witness conceded that telephonic telegraph service, via Santa Cruz, was satisfactory but stated she desired copies of all telegrams for her files. It should be observed that the Western Union Telegraph Company, while under no obligation to furnish copies of telephone messages, will read a telegram back so that the addressee may make a record thereof.

R. V. Dell, President of the Capitola Chamber of Commerce asserted that Capitola, because of its many natural advantages, would grow rapidly and that relegation of the station to a non-agency station would retard such expansion.

Alvin Wendt, a resident of Sea Cliff Park, stated that presently he is required to travel not over two miles to ship from Capitola but if the station were placed on a non-agency basis he would have to travel 7 miles to Santa Cruz. It should be noted here that Railway Express Agency, Incorporated is not an applicant herein and the record shows it will maintain an agency in the City of Capitola.

(4) 8 of the 9 shipped in the year ended May 31, 1949
7 of the 9 shipped in the year ended May 31, 1950.

The evidence demonstrates that during the periods covered by Exhibit 2 carload shipments forwarded from Capitola did not average one car per month, and less-than-carload shipments did not average one ton per month. Carload shipments received in the 12-month period ending May 31, 1949 averaged 6 cars per month and declined to an average per month of less than 1 car for the 12-month period ending May 31, 1950. Less-than-carload shipments received dropped from a monthly average of 15.16 tons to 8.03 tons for the 12 month period ending May 31, 1950. The evidence also indicates that the reduced revenue derived from carload and less-than-carload shipments is not commensurate with the cost of maintaining Capitola as an agency station.

Upon consideration of all the facts, as disclosed by the evidence herein, and the application thereto of the factors ⁽⁵⁾ pertinent in a proceeding of this kind, we conclude that the public interest will not be disserved by authorizing the discontinuance of agency service at Capitola. The application therefore will be granted.

O R D E R

A public hearing having been held and basing this order upon the evidence therein adduced; and upon the findings and conclusions set forth in the foregoing opinion,

IT IS ORDERED

1. That Southern Pacific Company is authorized to discontinue agency service at Capitola, Santa Cruz County, subject to the following conditions:

- (a) Applicant shall continue said station as a non-agency station.

(5) See Southern Pacific Company Decision No. 42469, dated February 1, 1949, Application No. 29735 (48 Cal PUC 407).

- (b) Applicant shall give not less than ten (10) days' notice to the public of the discontinuance of agency service by posting notice thereof at said station.
- (c) Applicant shall provide storage at said station in a suitable structure under lock, for less-than-carload freight shipments, supply keys therefor to be kept at convenient locations nearby, and maintain notice at such station informing patrons where the keys may be obtained.
- (d) The authorization herein granted shall lapse and become void if not exercised within 90 days after the effective date hereof unless further time is granted by subsequent order.
- (e) Within 30 days after discontinuance of service as herein authorized, applicant shall notify this Commission thereof and of compliance with the conditions hereinabove set forth.

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

Dated at San Francisco, California, this 19th day of September, 1950.

R. E. Anderson
Justus F. Curran
Earl S. Hall

Commissioners