

ORIGINALDecision No. 46077

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN PACIFIC COMPANY and of)
 RAILWAY EXPRESS AGENCY, INC. for)
 authority to discontinue agency at) Application No. 32200
 Madeline, County of Lassen, State of)
 California, and to maintain said)
 station as a non-agency.)

R. S. Myers, for Applicant, W. R. Curry, for Order
 of Railroad Telegraphers, Protestant, and M. E.
Getchel, for Transportation Department, Public
 Utilities Commission.

O P I N I O N

The Southern Pacific Company and Railway Express Agency, Inc.
 herein jointly request authority to convert the station at Madeline,
 Lassen County, from an agency to a non-agency station.

A public hearing was held at Madeline on Wednesday, June 27,
 1951, before Examiner Gannon, and the matter was submitted for
 decision.

Applicant's agency stations nearest Madeline are Likely, 19.8
 miles easterly, and Wendel, 60.2 miles westerly.

In the event the Commission authorizes the change herein re-
 requested, it is proposed to deliver bonded ⁽¹⁾ and prepaid carload
 shipments at Madeline. Notification to the consignees thereof will be
 effected by the agent at Likely by means of U.S. postal card and tele-
 phone. Car orders on outbound movements would be telephoned ⁽²⁾ to the

(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, where-
 in neither shipper nor consignee is bonded, will be held for payment of
 the freight charges and the consignee so notified by the agent at
 Likely.

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

agent at Likely who would spot cars for loading and arrange for pickup. Bills of lading would be deposited in a box at Madeline for collection and signature by the conductor or delivered to Likely by the shipper. Consignees who are not available at the time of delivery will be notified by the agent at Likely that such shipments have been locked in the warehouse at Madeline Station. On outbound traffic shippers would be required to transport collect less-than-carload shipments to Likely. Prepaid less-than-carload shipments would be deposited in the Madeline warehouse under lock and picked up by the train conductor. Shipments made by a bonded shipper would be deposited in the Madeline warehouse and picked up by the train conductor in the same manner as prepaid less-than-carload shipments. 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 Likely. Applicant does not now render passenger service to Madeline on the Reno-Alturas Line.

Exhibits 1 and 2, introduced into evidence by applicant, set forth the volume of freight traffic and amount of revenue derived therefrom handled at Madeline during the two 12-month periods ended March 31, 1950 and March 31, 1951, respectively, and may be summarized as follows:

The financial result of the operation at Madeline is illustrated by the tabulation (3) following:

	Year Ended March 31, 1950	Year Ended March 31, 1951
1. Gross Operating Revenue Madeline - (in dollars):		
(a) Carload - local	\$ 3,692	\$ 2,180
(b) Carload - interline	2,260	647
(c) Less Carload - local	538	390
(d) Less Carload - interline	45	3
(e) Total Freight Traffic	\$ 6,535	\$ 3,220
(f) Express	47	24
(g) Demurrage	24	21
(h) Total Gross Revenue	\$ 6,606	\$ 3,265
2. Operating Cost:		
(i) Wages - Agent	\$ 3,927	\$ 3,723
(j) Payroll taxes	238	236
(k) Stationery	7	8
(l) Misc. Station Supplies	57	142
(m) Total Station Operating Cost at Madeline	\$ 4,229	\$ 4,109
(n) Cost of Handling Freight Traffic Exclusive of Station Expense at Madeline, California.	\$ 5,182	\$ 2,516
(o) Total Operating Cost	\$ 9,411	\$ 6,625
(p) Total Operating Cost Exceeds System Revenue (o) - (h)	\$ 2,805	\$ 3,360 *

* Increased loss = 19.8%

J. H. Mahan, who had been an employee of the former Nevada-California-Oregon Railway was called to testify on the policies of the former narrow gauge railroad. Counsel representing the applicants stated that the railroad had the same obligation as the Southern

(3) Data derived from applicant's Exhibits 1 and 2.

Pacific Company and would have the same right to favor the discontinuance of the agency at Madeline. W. R. Curry stated that Southern Pacific Company bought the Nevada-California-Oregon Railway for through traffic only and should continue the agency at Madeline even though at a loss.

Several ranchers and shippers in the vicinity of Madeline inquired as to station revenue and what volume of business would be required to reopen the station in the event it should be closed. The attorney for the railroad stated that the station would be reopened if enough business were developed in the area to support it.

It should be noted here that Railway Express Agency, Inc. is also an applicant herein for the discontinuance of its agency at Madeline. The express shipments and gross revenue received and forwarded for the period from March to December 1950, inclusive, and the period January - February 1951 are shown on Page 4 of Application No. 32200. The Supervisor for the Railway Express Agency, Inc. testified and made reference to the aforesaid exhibit in said application, stating that the express shipments at Madeline averaged approximately \$11.25 per month. He stated that express will be delivered and received at Likely. There was no opposition to the proposal to discontinue the Railway Express Agency at Madeline.

The evidence establishes that during the periods covered by Exhibits 1 and 2 carload shipments forwarded from Madeline for the 12-month period ended March 31, 1950, averaged 3.5 cars per month and declined to an average of 1.8 cars per month for the period ended March 31, 1951. Carload shipments received in the 12-month period ended March 31, 1950, averaged 1.2 cars per month and increased to an average of 1.5 cars per month for the period ended March 31, 1951.

There were no less-than-carload shipments forwarded for the

period ended March 31, 1950, and nineteen less-than-carload shipments were received during the same period. Less-than-carload shipments received dropped to eleven and one was forwarded during the period ended March 31, 1951. The evidence also indicates that the reduced revenue derived from carload and less-than-carload shipment is not commensurate with the cost of maintaining Madeline as an agency station.

Upon consideration of all the facts, as disclosed by the evidence herein, and the application thereto of the factors ⁽⁴⁾ pertinent in a proceeding of this kind, we find that the public interest will not be adversely affected by the discontinuance of agency service at Madeline. 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 that Southern Pacific Company is authorized to discontinue agency service at Madeline, Lassen County, subject to the following conditions:

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

(4) See Southern Pacific Company Decision No. 42469, dated February 1, 1949, Application No. 29735 (48 Cal. P.U.C. 407).

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 14th day of August, 1951.

R. J. Dunning
Justus J. Cooper
Harold P. Hula
Frederick P. Potter

COMMISSIONERS