

**ORIGINAL**

Decision No. 46494

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN PACIFIC )  
COMPANY to discontinue all regular passenger service ) Application No. 32545  
between Black Butte, California, and the California- )  
Oregon State line near Hilt, California. )

E. J. FOULDS, for Applicant

FRED G. SEIG, Legislative Representative, appearing for the  
Order of Railway Conductors, Protestant.

NORMAN M. GREEN, appearing for F. G. Pellett, State Representative,  
Brotherhood of Railroad Trainmen, San Francisco, California,  
Protestant, and T. F. Carson, State Representative, Brotherhood  
of Railroad Trainmen, The Dalles, Oregon, Protestant.

WILLIAM I. GUNLOCK, Legislative Representative, for the  
Brotherhood of Locomotive Firemen and Enginemen, Protestant.

ROE E. BRADSHAW, appearing for the Brotherhood of Locomotive  
Firemen and Enginemen, Protestant.

JAMES E. HANRATTY, for Mount Shasta Lodge 312, Brotherhood of  
Locomotive Firemen and Enginemen, Protestant.

FLOYD M. CREASON, for the General Committee of Adjustment,  
Brotherhood of Locomotive Engineers, Southern Pacific  
System, Protestant.

EARL A. SHOUBE, for the Brotherhood of Locomotive Engineers  
of Dunsmuir, California, Division 425, Protestant.

FRED O. LLOYD, for the Dunsmuir Chamber of Commerce,  
Interested Party.

JOHN H. CARKIN, Counsel and Director, appearing for the Public  
Utilities Commissioner of Oregon, interested party.

O P I N I O N

By this application Southern Pacific Company seeks authority to discon-  
tinue regular passenger service by rail between Black Butte, California, and the  
California-Oregon State line near Hilt, California.

Applicant presently operates in this territory two passenger trains, No. 328 from Dunsmuir, California, to Grants Pass, Oregon, and No. 327 from Grants Pass to Dunsmuir. These trains provide the only rail passenger service between Black Butte and the California-Oregon State line near Hilt, and it is their operation that applicant seeks to discontinue.

Public hearings were held in Dunsmuir on September 12 and 13, 1951, before Commissioner Mitchell and Examiner Gibson, the matter was submitted, and is now ready for decision.

The line involved is part of applicant's so-called Siskiyou line, which leaves the main San Francisco-Portland line at Black Butte, 23 miles north of Dunsmuir, and rejoins this line at a point just south of Eugene, Oregon. At one time the Siskiyou Line was the principal route of rail travel between California and Oregon points, but since the opening of the Cascade Line it has become progressively less used due to the steep grades and sharp curvature.

Train No. 328 is scheduled to leave Dunsmuir at 2:25 p.m., connecting with the "Shasta Daylight" which departs from San Francisco at 7:45 a.m. The train leaves Black Butte, 23 miles from Dunsmuir, at 3:25 p.m., and Hilt, the last station in California, 81 miles from Dunsmuir, at 5:48 p.m., and arrives in Grants Pass, Oregon, 153 miles from Dunsmuir, at 9:05 p.m. Ashland and Medford, Oregon, are served en route.

Southbound train No. 327 leaves Grants Pass, Oregon, at 9:50 a.m., passes through Hilt, California, at 1:03 p.m., and arrives in Dunsmuir at 4:25 p.m. A connection is made with the "Shasta Daylight" leaving Dunsmuir at 5:00 p.m., and arriving San Francisco at 11:15 p.m.

The elapsed time from Dunsmuir to Grants Pass is 6 hours, 40 minutes, representing an average speed of 22.9 m.p.h. Southbound the elapsed time is 6 hours, 35 minutes.

Evidence was to the effect that the slow speeds on this line are occasioned by the mountainous terrain and numerous curves. Applicant's witness

testified that realigning or rebuilding the Siskiyou Line to permit higher speeds would involve an expenditure which was considered unreasonable in light of the potential traffic.

The trains operated on this line normally are powered by steam engines and consist of four cars; two for mail, baggage and express, and two for passengers. The coach assigned to each train has been entirely refurbished and equipped with modern foam rubber reclining seats, identical with those used on the company's most modern trains. The second passenger-carrying car is a lounge car with a snack bar serving sandwiches and light refreshments.

The advertising literature describing the Siskiyou Line and its points of interest was introduced as exhibits by applicant.

Applicant's witnesses testified as to the number of passengers carried on these trains during 52 days in May, June, August, and September, 1951. It was stated that in these months the traffic is somewhat higher than the average throughout the year. The figures are as follows:

NORTHEBOUND - TRAIN #328

To Points	From Points			Total
	South of Dunsmuir	On #328 in California	On #328 in Oregon	
On #328 in California	71	76	-	147
On #328 in Oregon	360	38	40	438
North of Grants Pass	65	-	-	65
Total . . . . .	496	114	40	650
Average per day . . . . .				13

SOUTHEBOUND - TRAIN #327

To Points	From Points			Total
	North of Grants Pass	On #327 in Oregon	On #327 in California	
On #327 in Oregon	-	302	-	302
On #327 in California	3	54	70	127
South of Dunsmuir	53	423	104	580
Total . . . . .	56	779	174	1,009
Average per day . . . . .				19

From the foregoing tables it will be noted that 147 northbound passengers and 174 southbound passengers (a total of 6 per day) were either California intra-state passengers on trains Nos. 327-328 or were persons moving between points north of Dunsmuir in California on the one hand and points south of Dunsmuir on the other. The balance of the passengers were interstate or intrastate in Oregon.

Exhibit No. 23 presented by one of applicant's witnesses showed in detail the passenger revenues of the two trains, as well as the total operating costs, and these items are summarized below:

	<u>Per Day</u>	<u>Per Year</u>
<u>Revenues (Average for year ending 7-31-51)</u>		
Passengers, Mail, Baggage, Express	\$159.12	\$58,078
<u>Expenses (Directly Assigned)</u>		
Wages (Train Crews, Engine Watchman and Payroll Taxes Only)	315.36	115,106
Fuel	140.73	51,366
Other Direct Expenses	<u>123.30</u>	<u>45,024</u>
Total directly assigned Expenses . . . . .	\$579.39	\$211,476
Loss, based on directly assigned Expenses only	420.27	153,398
Allocated Expenses (Maintenance, Depreciation, Casualties, Superintendence, Deficit on Lounge Car, Haul of Company Material, Wage Increases not otherwise shown, Payroll Taxes)	<u>655.93</u>	<u>239,414</u>
Total Annual Deficit . . . . .	<u>\$1,076.20</u>	<u>\$392,812</u>

The foregoing table shows that the costs for the fuel oil, train crews, engine watchman, and their associated payroll taxes alone are almost triple the revenues derived from the operation.

Applicant conceded that the operation of the Siskiyou Line, considering both freight and passenger traffic, was conducted profitably. However, it contended that passenger operations alone over this line were unremunerative.

The testimony indicated that at one time these two trains connected with trains Nos. 11 and 20 at Dunsmuir rather than with the "Shasta Daylights," and in order for passengers to travel between points served by these trains and San Francisco it was necessary for them to secure Pullman accommodations or else sit

up all night in a day coach. About a year ago, in an effort to make the service more attractive to passengers moving to and from the San Francisco area, the schedules on trains Nos. 327 and 328 were changed so that they connected with the "Shasta Daylights" at Dunsmuir and permitted passengers living either in San Francisco or Grants Pass, Oregon, to make the trip to the other end of the line entirely within one day. The elapsed times from the extremities of the route were decreased from 14 hours, 40 minutes in one direction and 17 hours in the other, to 13 hours, 20 minutes in one direction and 13 hours, 25 minutes in the other. The fares were materially decreased because it was no longer necessary to obtain Pullman accommodations.

At the same time these changes were made the more comfortable passenger equipment presently operated was placed in service. However, applicant's witnesses testified that in spite of these efforts to make the service more attractive, additional passengers were not obtained.

Exhibits were introduced showing the amount of parallel bus service presently rendered by both the Pacific Greyhound Lines and the Continental Trailways between Dunsmuir and the California-Oregon State line near Hilt, as well as intermediate points and Oregon points as far north as Grants Pass. Some 14 bus trips in one direction and 15 trips in the other are operated by the two bus carriers paralleling trains Nos. 327 and 328. These buses do not serve all rail points, but all principal rail stations are served with the exception of Montague.

The elapsed time from Dunsmuir to the State line by bus varies from 1 hour and 45 minutes to 2 hours and 50 minutes, which is from one-half hour to  $1\frac{1}{2}$  hours faster than the rail service. Comparable savings in time are provided to other points.

Other testimony pointed out that the railroad is paralleled by U.S. Highway No. 99, a modern highway permitting much higher speeds than on the railroad.

As a substitute for trains Nos. 327 and 328 applicant proposes to make arrangements with a bus company for bus transportation connecting with the "Shasta Daylights" at Dunsmuir and serving the same points as do the two trains. The running time for the substitute bus service would be from 44 to 73 minutes less between Dunsmuir and Hilt than by the trains.

It was testified that this proposed bus service would serve all points presently served by the railroad, with the exception of Ager, California. In addition, it is proposed to give Yreka direct service. The railroad does not pass through Yreka and bus connections are made via Montague. Applicant's proposal would eliminate this transfer. The substitute bus service would serve both Hornbrook and Hilt railroad stations which are about a mile off U.S. Highway No. 99. A de luxe air-conditioned bus would be used in the proposed service.

Applicant would provide motor truck service by Pacific Motor Trucking Company to handle the heavy baggage and express presently moving on trains Nos. 327 and 328. Today a P.M.T. truck operates from Dunsmuir to the State line for less-than-carload freight, and this schedule will be used for the carriage of express and that baggage too bulky to be placed on the buses. Actually, this change will improve the service of northbound express shipments since they presently arrive at Dunsmuir on train No. 20 at 5:55 a.m. and are held  $2\frac{1}{2}$  hours until the departure of train No. 328. Under the proposed plan these shipments would leave Dunsmuir shortly after they arrive on train No. 20 and would reach their destinations in California that much sooner.

Representatives of the Post Office Department did not make any appearances at the hearing. Applicant's witnesses testified that the first class mail does not move on trains Nos. 327 and 328 at the present time but is carried on Star routes operating out of Dunsmuir. They stated that the Post Office Department could make similar arrangements for transporting other classes of mail now being carried on the trains.

There was considerable testimony from protestants to the effect that the company could make the passenger service on the Siskiyou Line more attractive by means of rebuilding the line so as to permit higher operating speeds and by a more intensive advertising program designed to acquaint the public with the scenic attractions of this line. Some criticism was directed toward the old type of equipment presently used on the trains, as well as the fact that it was not always possible to obtain reservations on the "Shasta Daylight" to and from San Francisco.

However, most of these protestants admitted they had not been on the trains in question for several years and were not familiar with the refurbished equipment that had been placed in service about a year ago.

A member of the State Senate testified to the effect that the highways in Siskiyou County were not up to 1950 design standards and traffic volumes, and were inadequate to take the additional load that would be thrown upon them by the abandonment of these two trains. Members of the Board of Supervisors of Siskiyou County testified that the county roads over which it is proposed to operate the substitute bus service from Grenada via Montague to Yreka are not as heavily constructed as the main highways and therefore not suitable for the operation of heavy vehicles.

Resolutions and statements of representatives of Chambers of Commerce, particularly from Oregon points, were presented in opposition to applicant's proposed abandonment.

We have carefully considered all of the evidence and have come to the conclusion and now find that the abandonment of passenger service as proposed by applicant herein is justified. The bus and truck service proposed will be an adequate substitute for the trains.

As for the contention that the Siskiyou County highways are inadequate to carry the traffic diverted from the rails, we must say that it does not appear that one additional bus per day in each direction would have any appreciable effect on highway congestion.

It further appears that applicant has made a conscientious effort to improve the train service by means of better scheduling, more comfortable equipment, and advertising, and yet the traffic has not materialized.

At the time of the hearing applicant had not made firm arrangements with any bus company for the provision of this substitute service; furthermore, it was stated that an additional certificate would be required by whatever bus company provides this service to points along the county roads from Grenada via Montague to Yreka. The Order will therefore be contingent upon the completion of arrangements between Southern Pacific Company and an operating bus company, as well as

upon the securing of the necessary certificate to provide the proposed alternative bus service.

Our ruling is confined to operations conducted wholly within the State of California and subject to the jurisdiction of this Commission.

O R D E R

Application as above entitled having been filed, a public hearing having been held thereon, the Commission being fully advised in the premises and hereby finding it to be in the public interest;

IT IS ORDERED that Southern Pacific Company be and it hereby is authorized to discontinue all regular rail passenger service between Black Butte, California, and the California-Oregon State Line near Hilt, California; and also to discontinue the operation of trains Nos. 327 and 328 between Dunsmuir and Black Butte, California, subject to the following conditions:

- (1) Changes in service shall be made only after ten (10) days' notice to this Commission and to the public.
- (2) Abandonment of rail service as herein authorized shall be made concurrently with the establishment of substitute motor coach service to points along U.S. Highway No. 99, with the exception of a detour from Grenada via Montague to Yreka, and also providing direct service to Hornbrook and Hilt railroad stations.

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

Dated at San Francisco, California, December 4, 1951.

A. T. [Signature]  
President

Justice J. [Signature]

Harold P. [Signature]

[Signature]  
Commissioners