

Decision No. 47161

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
 SOUTHERN PACIFIC COMPANY to discon-)
 tinue the operation of passenger)
 trains Nos. 246, 244, 229 and 243,)
 operating between Oakland Pier and)
 Sacramento, California.)

Application No. 31304

In the Matter of the Commission's)
 investigation on its own motion into)
 the sufficiency of passenger train)
 service of SOUTHERN PACIFIC COMPANY)
 between Sacramento and San Francisco)
 and other points in California.)

Case No. 5234

E. J. Foulds and R. S. Myers, for applicant and respondent.
H. J. McCarthy, for Transportation Department, Public
 Utilities Commission.

Edson Abel, for California Farm Bureau Federation and
 Solano County Farm Bureau; Bartley W. Cavanaugh,
 City Manager, Everett M. Glenn, City Attorney,
Jack Faustman, City Traffic Engineer, for the City
 of Sacramento; John W. Collier, City Attorney,
Archer Bowden, Deputy City Attorney, Loren East,
 City Engineer, for the City of Oakland; Francis Hoey,
 City Attorney, for the City of Martinez; Thomas M.
Carlson, City Attorney, Wayne Thompson, City Engineer,
 by Frederick Bold, Jr., Assistant City Attorney, for
 the City of Richmond; David J. Levy, Deputy District
 Attorney, for the Board of Supervisors, Contra Costa
 County; J. W. Raftery, City Attorney, for the City
 of Dixon; K. I. Jones, City Attorney, for the City
 of Suisun; and for the County Counsel and Board of
 Supervisors, Solano County; Weldon E. Vance, for the
 Berkeley Chamber of Commerce; L. J. Humphreys, for the
 Sacramento Chamber of Commerce; R. G. Pellett, for the
 Brotherhood of Railroad Trainmen; F. G. Seige, for the
 Order of Railroad Conductors; Leo Freid, for the Order
 of Railway Clerks; A. B. Simpson and B. J. Thomas, for
 the Brotherhood of Locomotive Firemen and Enginemen;
J. D. Moore, J. K. Greene and W. W. Stevens, for the
 Brotherhood of Locomotive Engineers; S. A. Buckley,
I. A. Lawrence and F. B. Cleere, for the Order of
 Railway Clerks (Express Division); B. V. Goodman, for
 the City of Fairfield and Fairfield Chamber of Commerce;
L. W. Eddy, for the Elmira Improvement Group; S. B. Rider
 and G. W. Ballard, for the Brotherhood of Railroad
 Trainmen; G. F. Irvine, for the Brotherhood of Locomotive
 Firemen and Engineers.

O P I N I O N

Under the date of February 24, 1950, Southern Pacific Company, in conformity with the provisions of the Commission's General Order No. 27-A, filed a notice of the company's intention to discontinue passenger trains Nos. 246, 229, 244 and 243, between Oakland Pier and Sacramento. The Commission, after consideration of that notice, advised the company of its rejection and directed it to continue the service and file a formal application. The application was filed April 15, 1950, requesting authority to discontinue the operation of those trains between Oakland Pier and Sacramento. Trains Nos. 246 and 229 operate daily except Sundays and holidays, and the other two trains operate Sundays and holidays only. The scheduled departures of the Sunday and holiday trains from Oakland Pier and from Sacramento are 30 minutes and 10 minutes later, respectively, than the weekday pair of trains, the arrival times being the same. These trains, hereinafter considered as only one pair, when taken together and in conjunction with the company's ferry service between Oakland Pier and San Francisco, provide a daily round-trip service between Sacramento and San Francisco and intermediate rail points.

A public hearing in this application was had before Commissioner Craemer and Examiner Paul on July 6, 1950, and the matter was submitted. Thereafter, on September 27, 1950, the Commission issued an order reopening the application for further hearing and also instituted an investigation on its own motion (Case No. 5234) to inquire into the sufficiency of passenger train service rendered by Southern Pacific Company ⁽¹⁾ between San Francisco, Sacramento and Los Angeles and all points intermediate thereto on

(1) Throughout this opinion, Southern Pacific Company generally will be referred to as the company.

both the Coast and the Valley lines. The two proceedings were consolidated and a public hearing was had at Sacramento before Commissioner Craemer and Examiner Paul on April 26 and September 20, 1951. On the latter date the application and that portion of the investigation (Case No. 5234) having to do with service by respondent between San Francisco and Sacramento were submitted for decision. The remainder of the investigation was continued for further hearing.

At the present time, the company operates eight pairs of passenger trains between these points, one pair of which is devoted principally to mail and express traffic. These trains include the City of San Francisco and the Overland, which serve only the San Francisco Bay area and Sacramento of the points involved herein. Passengers desiring to use the City of San Francisco must secure seat reservation in advance of departure time and pay a service charge of one dollar and twenty-five cents. A reservation, for which there is no extra charge, must be secured in advance of departure time in order to be assured of a seat on the Overland. The running time between San Francisco and Sacramento of these eight pairs of trains varies from two hours and fifteen minutes to three hours and forty minutes. The trains which the company would retain would continue to operate as presently scheduled.

In support of the authority sought, the company produced oral and documentary evidence through a number of its operating officials. One of these officials testified, in substance, that for the last 30 years, except during the war period, there had been a steady decline in short-haul railroad passenger traffic despite the constant increase in population of California. He expressed the opinion that this had been brought about by the increased use of private automobiles, passenger stage lines and common carrier airlines. He drew a comparison between the years of 1950 and 1940, which indicated that the population of the State and the registration

of private automobiles had increased approximately 50 per cent and 43 per cent, respectively. The registration of automobiles, according to the witness, was in the proportion of approximately one car to each two and one-half persons in California. While the company's system passenger gross revenue is substantially greater than it was in 1940, local rail passenger traffic, other than commutation traffic, has declined sharply. The witness further testified that schedules of competing passenger stage lines between San Francisco and Sacramento by 1950 had increased approximately 60 per cent over the year 1940. Diversion of local passenger traffic from rails to highways has been due largely to the improvement of highways and the convenience of the private automobile. It was his opinion that the rapidly increasing use of private automobiles has rendered local rail passenger service, aside from local commutation service, almost obsolete. The witness further stated that since the close of the war, the company has spent approximately 36 million dollars on new passenger train equipment to be used in long-haul operations since it had been more successful in holding that traffic in competition with other common carriers and particularly against the private automobile. At this time, none of the local passenger trains operating between the San Francisco Bay area and Sacramento is earning sufficient revenue to meet its operating expenses. Only two pairs of such local trains, the Senator and the El Dorado, are handling any appreciable volume of business between those points, according to the witness.

The company's general passenger agent gave a detailed description of the competing common carrier service by highway and by air and described the various methods used in an asserted endeavor to regain local passenger traffic which had not been successful. The company's manager of mail and express traffic testified that the United States mail formerly handled by the trains proposed to be

discontinued is now being carried on other trains and that other headend traffic would receive similar service if discontinuance should be authorized.

The company's research bureau engineer estimated the annual loss from the operations of the Statesman-Governor to be \$151,785 based on operation of the trains during the months of April and May, 1950. However, discontinuance of these trains, he stated, would result in an annual saving to the company of a minimum of \$102,209 as it was anticipated that some of their revenue would accrue to other trains.

Other company witnesses testified to the actual and allocable direct labor costs, the number of passengers transported between San Francisco and Sacramento, the financial results of passenger train operations within the state, the operating ratios thereof and other relevant matters (Exhibits Nos. 3 and 11).⁽²⁾

Several protestants representing various cities, counties, civic groups and employees' unions opposed the company's request to discontinue the operation of the Statesman-Governor. The only evidence developed by these protestants was through participation in the examination of the various witnesses.

The City of Dixon took the position that under the company's plan the city would be deprived of adequate passenger train service for passengers and express. The Statesman-Governor serve that city at noontime and mid-afternoon.

Some protestants were critical of the company's asserted failure to keep abreast of the times and improve passenger train

(2) Exhibit No. 5 by the Commission's staff contained results of a two-day check of passenger traffic on the Statesman-Governor which showed that a substantial part of that traffic consisted of employees of the company or members of their families traveling on passes.

service by modernization of equipment and of local trains, adjustment of schedules to meet the public needs and to develop better solicitation of traffic through advertising and other methods. Opinions were expressed that all facilities should not only be retained but improved to meet present day requirements. Others were apprehensive that elimination of the trains as proposed would be a backward step and would be detrimental to business at the various intermediate towns and communities served.

During 1951, the Engineering Division of the Commission's Transportation Department made an exhaustive study of the rail passenger service of Southern Pacific Company between San Francisco, Oakland and Sacramento. A report based on this study was received in evidence as Exhibit No. 6 and later supplemented by Exhibit No. 14.

A supervising transportation engineer of the Commission's staff explained those exhibits. He stated that the company operates passenger service between San Francisco and Sacramento by means of a ferry between San Francisco and Oakland Pier, a distance of 3.5 miles, thence by double track railroad controlled by automatic train controls or block signals from Oakland Pier to Sacramento, a distance of about 88.5 miles. The company's Sacramento terminal is about 10 blocks from the State Capitol. The rail line to Los Angeles diverges at Martinez and the line to northern California points and to Portland diverges at Davis.

Exhibit No. 6 reveals that, in addition to its through trains, the company operates three pairs of passenger trains between Oakland Pier and Sacramento, which provide a daily local service between San Francisco and Sacramento. These three trains are:

(3) All passenger trains arriving at or departing from Oakland Pier have connecting ferry service to and from the San Francisco Ferry Building at the foot of Market Street. However, late arrival of westbound passenger trains at the Oakland Pier often result in passengers missing the scheduled connecting ferryboat for San Francisco.

No. 223 and 224 - The Senator
No. 247 and 248 - The El Dorado
No. 229 and 243 - The Governor (westbound), and
No. 244 and 246 - The Statesman (eastbound)

The Sierra (trains Nos. 241-245) operates westbound only and primarily for mail and express, although it carries a number of passengers on Friday and Sunday evenings. It leaves Sacramento at 7:40 p.m. on weekdays and 8 p.m. on Sundays. The Sierra's counterpart is train No. 26, the Sparks Local.

The schedules of the Senator and the El Dorado are arranged so that residents of San Francisco or Sacramento may leave either city in the morning, spend the full day at destination and return that evening. The Governor-Statesman provides a midday service between the two cities and serves all intermediate rail points. The witness stated that from his observations the running times of those trains are reasonable and that the speeds cannot be materially increased without elimination of stops or of headend business except for trains Nos. 229 and 241 which seem to be unnecessarily slow.

The Commission's engineer also testified that in addition to the company's service between San Francisco and Sacramento, passenger transportation service is provided by Pacific Greyhound Lines and Burlington Transportation Company, passenger stage lines, by Western Pacific Railroad, United Air Lines and the Southwest Airways.

Exhibit No. 14 shows that the week-day schedules of these carriers as of September 15, 1951, as compared to those on the preceding March 1, were the same with the exception of Pacific Greyhound Lines and United Air Lines. The former had increased its local schedules between those dates from 19 to 25 and its non-stop schedules from three to seven and the latter had increased its schedules from six to eight. Scheduled running time of Southern Pacific Company's local trains varied from two hours and thirty minutes to three hours and forty minutes; those of Pacific Greyhound Lines from two hours

and five minutes to three hours and twenty-five minutes.

The witness further stated that the local rail passenger traffic of the company between San Francisco and Sacramento has been steadily decreasing despite the increasing population of such areas which are two of the most important in the state. Available traffic statistics indicate that approximately five per cent of the passenger traffic moving between those areas is transported by Southern Pacific Company, 13 per cent by Greyhound Lines and about 80 per cent by private automobile. The engineers' study showed that the Senator, El Dorado and the Statesman-Governor arrived at the terminals of Sacramento and San Francisco on time on an average varying from 71 per cent to 95 per cent during a period of five consecutive months, the Statesman-Governor having the best record. The City of San Francisco and the Overland, which are through trains, generally arrived on time eastbound at Sacramento during that period, but westbound, they arrived late at Sacramento and San Francisco about 29 per cent of the time. The Overland arrived on time westbound at those terminals 37 per cent of the time, and the City of San Francisco, 22 per cent.

The passenger equipment operated in local service between San Francisco and Sacramento, according to the witness, is not of modern design, the cars having been built during the period 1911-1926 and were all air-conditioned as of August, 1950. The seats of these cars for the most part are standard straight-back seats with covers on the head rests. They were found to be neat and clean and, in most cases, appeared to have been newly repainted. The Senator and El Dorado are the only local trains to which club cars have been assigned.

None of the local passenger trains operating between San Francisco and Sacramento provide dining facilities except the Senator

which provides a so-called "snack lounge" service. Prior to April, 1950, full meals were served on the Senator but, according to the testimony, the service was curtailed in order to reduce the direct losses which were averaging \$750 a month.

The Commission's engineer also pointed out that the Southern Pacific rail line between San Francisco and Sacramento is relatively closely paralleled by U. S. Highway No. 40 which is of at least four lane construction between those points with only two relatively short exceptions. He stated that the highway distance from downtown San Francisco to downtown Sacramento is approximately 87 miles which is five miles less than the railroad distance. Tests made by Commission engineers showed that an automobile can be driven between these points in about two hours traveling time at the prevailing rate of speed on the highway. This time compares with two hours and fifteen minutes required by the City of San Francisco, which is Southern Pacific's fastest train and two hours and thirty minutes by the Senator and El Dorado. In the process of improving this highway the distance between San Francisco and Sacramento has been shortened by approximately 15 miles.

The Commission witness gave further testimony in considerable detail as to the population of various communities involved, the revenue passengers using the service of the Statesman-Governor, various other modes of travel between the points involved, rail service by the various local trains of the company at points on the line between San Francisco and Sacramento, a description of the volume, origin and destination of headend traffic transported by the Statesman-Governor and the decline in the local revenue passenger traffic between San Francisco and Sacramento and intermediate rail points. The witness pointed out that the annual loss of the pair of trains which the company desires to discontinue amounted to

\$105,756 for the 12-month period ending March 31, 1951, and that the total annual loss from the operation of all the local passenger trains between San Francisco and Sacramento is approximately \$275,000.

The Commission's staff made a study of the operations of the Senator, El Dorado and the Statesman-Governor on five possible bases and one additional basis of operation for the latter train. This study was made to determine (1) for the year 1952 the approximate results of operation of those trains as presently operated, and (2) the operating results, with required new investment, and other elements by using any of the following:

- (a) diesel locomotives and standard cars;
- (b) diesel locomotives and streamlined cars;
- (c) diesel locomotives and streamlined cars with one extra

round trip, or

- (d) self-propelled railway passenger cars with one extra trip.

It was pointed out that the smallest loss estimate would be by operations using self-propelled railway passenger cars.

Conversion of the Statesman-Governor from steam locomotives and standard cars to a self-propelled passenger car operation would require a minimum investment of approximately \$140,000 for each car and about \$10,000 for spare parts. The operating crew of one car would consist of three men. According to the study (Exhibit 14), use of a self-propelled railway passenger car with the present level of passenger traffic would reduce the net annual operating loss experienced by the Statesman-Governor from approximately \$105,000 to approximately \$19,000. The car considered would have a seating capacity of 90 passengers and no provisions for headend traffic. However, it was estimated that a large proportion of the present headend traffic of that train would be handled by other trains.

The Commission witness stated that consideration should be given to the substitution of modernized refurbished passenger cars for old coaches now assigned to certain trains in the San Francisco-Sacramento service. He said that in 1949 the company modernized a number of standard coaches by removing the old seats and installing individual reclining seats with foam-rubber cushions and adjustable footrests identical with those installed in modern streamlined equipment. The cost was said to have been approximately \$9,300 per car in 1949 which included the installation of rubberized flooring.

While an analysis of the evidence adduced in these proceedings shows that the trains operating in local service between San Francisco and Sacramento do not produce sufficient revenue to offset the cost of their operations, it emphasizes the fact, and we so find, that Southern Pacific Company has attempted to maintain this service with outmoded equipment which was relegated to the service when it became outmoded and uneconomical in the service where it was originally used. The record is quite clear that the company has made but a minimum attempt to modernize its equipment and has failed to bring its service up-to-date between those points. The only effort that has been made in rehabilitating this equipment has been the air-conditioning and painting of old, outmoded and outdated cars. Little has been done to make the service attractive to the riding public. It is an obligation of a transportation company to keep abreast of the times and to provide the best possible type of transportation facilities and service to the public. While it may be that some services provided by the company fail to produce sufficient operating revenue to offset the cost thereof, we are concerned with the public interest and the system service as a whole in the State of California. (4)

(4) Monthly operating reports of revenues and expenses of Southern Pacific Company filed with this Commission pursuant to the provisions of General Order No. 65 show system net railway operating income of \$45,381,528 after allowances for taxes and rents for the year 1951.

Remitted

Whether the local passenger service between the points here involved be provided by use of modern type self-propelled railway passenger cars, dieselized and streamlined equipment, or other types of modern equipment, are matters which, in the first instance, are properly within the province of management. However, while the record shows the company has made certain studies designed to improve the service no definitive results have been achieved. Therefore the Commission will require such action as it deems appropriate herein.

Although the evidence emphasizes the modernization of the highways together with improved and increased use of public and private highway transportation facilities, we believe that the rapid expansion of the population of two of the more important areas of this State has created a demand for and will produce sufficient use of modern rail facilities operated on expedited and frequent schedules. The evidence shows that the fastest schedules for local trains now provided by the company require a minimum of two and one-half hours for the trip between San Francisco and Sacramento as compared to about two hours and five minutes for the same trip by private automobile or passenger stage line. We believe that a readjustment of schedules of the local passenger service between the points involved can and should be made to shorten the time in transit. To that end the Commission expects the company to give consideration to reorganization of its methods of handling the headend traffic on its local trains in order to provide a more expeditious and inviting passenger service between San Francisco and Sacramento. We believe the Southern Pacific Company as a common carrier has a public duty and obligation to provide this type of service.

same

The evidence presents a picture of an antiquated method of handling passengers by a combination of rail and ferry facilities. The ferry portion of the service is attractive, but for local passengers it causes delay, inconvenience and seriously handicaps the attractiveness of this service. The record shows that an uncompleted study has been made by the company over a period of years with respect to the use of automotive equipment between San Francisco and certain of its East Bay stations in conjunction with railway passenger service. This study should be completed as expeditiously as possible and a report of the results thereof made to the Commission.

rewritten

After full consideration of all the evidence in these proceedings, the Commission finds that Southern Pacific Company has not justified its request to discontinue the passenger service provided by operations of trains Nos. 229, 243, 246 and 244 (the Statesman-Governor). Therefore, the Commission further finds that the public interest requires that Southern Pacific Company shall discontinue operations of said trains Nos. 229, 243, 246 and 244 by use of steam locomotives and standard railway passenger equipment, and shall substitute in lieu thereof passenger service by modern self-propelled railway passenger cars. The Commission further finds that the railway passenger equipment used in the operation of trains Nos. 223 and 224 (the Senator) and trains Nos. 247 and 248 (the El Dorado) shall be further modernized by the installation of individual reclining seats with foam rubber cushions, adjustable footrests, installation of rubberized floor coverings, and refurbished to a standard comparable to modern railway passenger equipment.

The Commission further finds from the evidence in these proceedings that the public interest requires that the company shall make a study, and prepare and submit to the Commission a plan for an improved and expedited transbay automotive passenger service between San Francisco and its East Bay stations in Oakland and Berkeley to be operated in conjunction with its railway passenger train service. The Commission further finds it to be in the public interest that the company shall make a study, prepare and submit to the Commission a plan for the modernization of its Oakland Pier passenger terminal facilities.

O R D E R

A public hearing having been held in the above-entitled matters, the Commission being fully advised therein, and based upon the conclusions and findings expressed in the foregoing opinion,

IT IS ORDERED as follows:

(1) That Southern Pacific Company shall within one hundred twenty (120) days after the effective date hereof discontinue passenger train service provided by trains Nos. 229, 243, 246 and 244 (the Statesman-Governor) by the use of steam locomotives and standard railway passenger equipment, and shall substitute in lieu thereof railway passenger service by modern self-propelled railway passenger cars.

(2) That within one hundred twenty (120) days after the effective date hereof, Southern Pacific Company shall assign equipment, for use in trains Nos. 223 and 224 (the Senator) and trains Nos. 247 and 248 (the El Dorado), which has been fully air-conditioned and further modernized by the installation of individual

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reclining seats with foam rubber cushions, adjustable footrests, installation of rubberized floor coverings and refurbished to a standard comparable to modern railway passenger equipment.

Part

(3) That, within sixty (60) days after the effective date hereof, Southern Pacific Company shall make a study and prepare and submit to the Commission a plan for establishment of automotive passenger service between San Francisco and its East Bay stations in Oakland and Berkeley to be operated in conjunction with its railway passenger train service.

Part

(4) That, within sixty (60) days after the effective date hereof, Southern Pacific Company shall make a study and prepare and submit to the Commission a comprehensive plan for modernization of its Oakland Pier passenger terminal facilities.

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

Dated at San Francisco, California, this 13th day of May, 1952.

A. I. Anderson
President
Harold A. Huls

[Signature]
Commissioners

I dissent.

The record in my opinion fails to substantiate a finding that public convenience and necessity require the continued operation of trains Nos. 246, 229, 244 and 243 (Statesman-Governor).

Approximately 80 passengers patronize these two trains daily. Their direct operating cost per year totals \$168,000, and the overall direct revenue is \$63,000. There are adequate alternate means of public transportation available for these passengers.

The trains for which authority to abandon is being sought operate at an annual deficit of approximately \$105,000 according to the most conservative estimate. The remaining local trains between San Francisco and Sacramento which the company does not propose to abandon also are operating at a deficit, which was estimated by the Commission's staff to be \$170,000 annually. These losses are further increased by the fact that subsequent to the submission of this case the United States Post Office Department made arrangements to carry its San Francisco-Sacramento mail by highway carriers and a further loss in revenue of approximately \$150,000 annually will be experienced by this carrier.

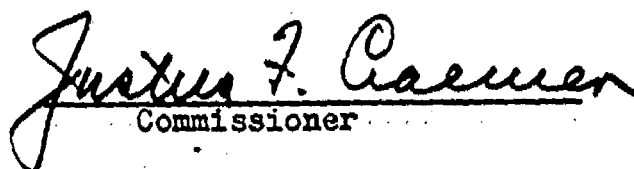
It is plain from the record that the company is faced with a competitive situation which is most difficult and does not lend itself to ready solution. The rail service between San Francisco and Sacramento has two very serious natural disadvantages; one being the fact that trains have no direct means of access into the city of San Francisco but must rely upon either ferry boats or highway carrier connections in order to cross San Francisco Bay, and secondly, the alignment of the rail route traversed between Oakland Pier and Martinez is such as to compel restricted speed in operation. On the other hand the highway competitors, both passenger stages and automobiles, operate over a high-speed highway directly connecting the two cities. A substantial portion of the highway between San Francisco and Sacramento is constructed to freeway standards and is being improved yearly so that in

spite of steadily increasing volume of traffic, travel on this highway becomes easier each successive year. Consequently passenger stages and automobiles can cover the distance between the two cities in shorter time than can the fastest train operated by the Southern Pacific Company. The record shows that of the total number of passengers moving between San Francisco and Sacramento, approximately 80% travel by automobile and 13% by passenger stage and the remaining 7% by rail and air carrier.

Substitution of a self-propelled Diesel car for the "Statesman-Governor," as contemplated by the majority decision, will not result in a materially expedited service between the terminal cities of San Francisco and Sacramento unless stops at the intermediate cities such as Crockett, Martinez, Fairfield, Elmira, Dixon, and Davis are eliminated. A considerable portion of those patrons using these trains today are either destined to or originate at the intermediate cities named above.

None of the proposals will eliminate the deficits which of necessity thus continue as a burden on other traffic and on the rate payers.

I do however, concur with the majority that the equipment on the remaining local trains, namely the "Senator" and the "El Dorado," be refurbished so as to be more attractive to the travelling public.


Commissioner

I concur in the dissent.

Additionally, I am of the opinion that the order for improved service is premature with regard to Bay Area terminal facilities. Case 5234 contemplates an investigation of several other lines of the Southern Pacific which terminate at Oakland Mole, and it is quite probable that a completion of the investigation would point to a different solution of the problem of terminal facilities in the Bay Area.

Furthermore, I am of the opinion that capital expenditure for new and modern equipment should be directed to service now favored by the traveling public, rather than to the service which that public has practically abandoned.


COMMISSIONER