

ORIGINAL

Decision No. 47478

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
THE ATCHISON, TOPEKA & SANTA FE)
RAILWAY COMPANY, a corporation,)
(hereinafter called The Atchison)
Company), UNION PACIFIC RAILROAD)
COMPANY, a Utah corporation, (here-)
inafter called Union Pacific), and)
RAILWAY EXPRESS AGENCY, INC.,)
(hereinafter called Express Agency),)
for authority to discontinue agency)
service at the station of Highgrove,)
California, and to thereafter operate)
same as a non-agency station.)

Application No. 32968

Wm. F. Brooks and Henry M. Moffatt for applicants.
Earl Redwine for Highgrove Civic Association and
T. Twogood for Highgrove Fruit Association, pro-
testants.

O P I N I O N

The Atchison, Topeka & Santa Fe Railway Company, Union Pacific Railroad Company, and Railway Express Agency, Inc. request authority to discontinue operation of the Highgrove, California, station as an agency station.

A public hearing was held in Riverside before Examiner Chiesa. Oral and documentary evidence was adduced and the matter was submitted for decision.

The evidence of record shows that the nearest agency stations are Riverside, a distance of 3.2 miles to the west, and Colton, a distance of 3.8 miles to the east.

There will be no material change in the carload service. At present consignees are notified by telephone or postcard from Highgrove, and shippers contact the Highgrove agent. The same service will be available at Riverside and Colton.

Carloads forwarded from Highgrove via The Atchison, Topeka & Santa Fe Railway Company and Union Pacific Railroad Company, in 1950 and 1951, were 19 and 32, respectively. Carloads received were 47 and 20, respectively. Total carload business was 66 in 1950 and 52 in 1951.

At present less-carload shipments are picked up at or delivered to the station in Highgrove. The proposed substitute service is daily store-door pickup and delivery by truck from Riverside or Colton. The total number of less-carload shipments forwarded from Highgrove in the years 1950 and 1951 were 85 and 266, respectively, and the total number of shipments received there were 139 and 563, respectively.

For the same two-year period there were 246 passenger tickets sold at Highgrove by The Atchison, Topeka & Santa Fe Railway Company, and none by the Union Pacific Company.

The revenues and expenses of the two railroads, applicable to Highgrove, are as follows:

	Atchison, Topeka & Santa Fe (Ex. 3)		Union Pacific Company (Ex. 4)		Consolidated (Ex. 5)	
	1950	1951	1950	1951	1950	1951
Revenues *	\$5,183	\$8,514	\$6,046	\$3,258	\$11,229	\$11,772
Operating ex- penses, other than station	4,118	6,999	4,044	2,301	8,162	9,300
Actual station expenses	<u>2,511</u>	<u>2,231</u>	1,686	1,514	<u>4,197</u>	<u>3,745</u>
Net Loss	<u>(1,446)</u>	<u>(716)</u>	316	<u>(557)</u>	<u>(1,130)</u>	<u>(1,273)</u>

* Includes passenger revenue, express commissions, and Western Union receipts.

() Red Figures

Applicant railroads allocated one-half of both interline and local traffic revenue and expense to Highgrove, contending that station expenses occur at both ends of every revenue traffic movement. A 50 per cent division of local traffic was considered equitable since shipments both originate and terminate on The Atchison, Topeka & Santa Fe Railway Company or Union Pacific Company rails. As interline shipments are handled both at the point of origin or termination (Highgrove) and at the interchange point, it is contended that a 50 per cent division of such expense is also justified. Nevertheless a company witness testified that "the exact percentage of interline revenue which allocates to interchange station expense can only be determined through an exhaustive expensive study which does not appear warranted at this time. However, in the light of our experience, it is safe to say that the percentage will range between 25 per cent and 50 per cent." Adjusting the consolidated results hereinabove shown to include 75 per cent of interline revenue, instead of the allocation of 50 per cent, the result would be:

	<u>1950</u>	<u>1951</u>
Revenues (75% of interline, plus 50% of local, plus passenger, express, miscellaneous and milk and cream)	\$13,566	\$16,236
Operating Expenses, other than station	9,833	12,787
Actual station Expenses	4,197	3,745
Net loss	(464)	(296)

() Red figures

Protestants contended that the application should not be granted because less-carload shipments have increased, gross revenues are higher, population is on the upgrade, and present shippers and consignees would be inconvenienced.

We have carefully considered the evidence and we are constrained to find that the closing of this agency station would not be materially adverse to the public interest.

The record is clear that the agency stations are operating at a loss, and that although revenues were slightly higher (on a consolidated basis), they have not kept pace with expenses; that two superior agency stations are situated less than four miles distant, and that daily store-door pickup and delivery truck service for less-car-load shipments will be available to present customers. In addition there was some testimony to justify a conclusion that, due to competition from highway common and permitted carriers, a material increase in revenue at this station is not likely.

The application will be granted.

O R D E R

A public hearing having been held in the above-entitled proceeding, and the Commission being fully advised in the premises,

IT IS ORDERED that The Atchison, Topeka & Santa Fe Railway Company, Union Pacific Railway Company, and Railway Express Agency, and each of them, be, and they hereby are, authorized to discontinue their agency station at Highgrove, Riverside County, California, and to change station records and tariffs accordingly, subject to the following conditions:

- (1) Applicants, The Atchison, Topeka & Santa Fe Railway Company, Union Pacific Railroad Company, and Railway Express Agency, Inc., shall continue said station as a non-agency station;
- (2) Applicants shall give not less than ten (10) days' notice to the public of said agency abandonment by posting notice at said station;

- (3) Applicants shall, within thirty (30) days thereafter, notify this Commission in writing of the abandonment of the facilities authorized herein, and of their compliance with the conditions hereof;
- (4) The authorization herein granted shall expire if not exercised within one (1) year from the effective date hereof unless further time is granted by subsequent order.

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

Dated at San Francisco, California, this 15th day of July, 1952.

R. J. [Signature]
 President
Harold F. [Signature]
[Signature]

 Commissioners

Commissioner Justus F. Craomer, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.