

ORIGINALDecision No. 49301

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 THE ATCHISON, TOPEKA AND SANTA FE
 RAILWAY COMPANY, a corporation
 (hereinafter called "THE ATCHISON
 COMPANY"), and Railway Express Agency,
 Incorporated, a corporation, (hereinafter
 called the "Express Agency"), for
 authority to reduce agency service at
 its station at Winton, County of Merced,
 State of California.

Application No. 34634

Robert W. Walker and Henry M. Moffat for applicant.
Edson Abel for California Farm Bureau Federation, Merced
 County Farm Bureau and Winton Farm Bureau Center, protestants.
C. Ray Robinson and James A. Cobey for Winton Chamber of
 Commerce, protestant.
J. C. Hoxie for the Order of Railway Telegraphers, Valley
 Division, protestant.

O P I N I O N

This application requests an order of the Commission authorizing applicants to discontinue agency service at the Railway Company's station at Winton during the months of January to June, inclusive, and the months of November and December in each year and to operate said station as a nonagency station during said months and as an agency station during the months of July to October, inclusive, of each year.

As justification for the request it is alleged that the primary needs of that portion of the public which utilizes the transportation services of applicants at said station, can be adequately and efficiently served by operating said station as an agency station during the period commencing July 1, and ending October 31, of each year, and as a nonagency station during the remaining months of the year; and that the maintenance of an agent at said station during the months of January to June, inclusive, and the months of November and December, is not required in the interest of the public convenience and necessity.

Public hearing was held before Examiner Rowe, in Merced on October 7, 1953 at which time oral and documentary evidence was adduced and the matter was duly submitted.

Winton is an unincorporated town located on the main line of the Santa Fe Railroad in Merced County 9.3 miles north of the City of Merced and 14.2 miles south of the agency station of Denair.

The agent at Winton now is at the station eight hours per day Monday through Friday. However, according to the testimony of the customers in the area he is available to sign bills of lading or to perform other necessary business at almost any time if contacted at his home. An apprentice trainee who is practicing to become a telegrapher is also employed. He is not a regular part of the force there but he helps on occasions.

According to applicants' testimony complete station facilities are maintained at Merced and at Denair. Should the application be granted the telephone company has agreed to a service whereby collect calls may be made from Winton over private phones or over two pay stations to the Merced agent without any cost to the customers. During the period the station is to be closed inbound cars will be set out as at present and the consignee notified by telephone from Merced if possible and if not by post card. The consignee may in turn likewise notify the Merced agent of the release of the car when emptied.

Requests for cars for outbound carload shipments can be made in the same manner by telephone to Merced and that station similarly advised when the car has been loaded. A box will be maintained at the station as at present into which bills of lading may be deposited and procured with his switch lock by the conductor who may then sign them for the carrier. The consignor's copies may be mailed to him or delivered personally should the consignor meet the train or placed in a box for the consignors if his place of business be nearby.

Passenger tickets may be purchased from the conductor by those boarding at Winton at no extra cost. Most less-carload shipments are now carried by the Santa Fe Transportation Company. The drivers will be bonded and will themselves handle C.O.D. matters. The agent presently bills the customers for freight handled by truck and keeps books as to local business. He also receives and delivers such freight which is not handled by the drivers. Should the station be closed, as requested, calls for trucks to pick up freight may be placed by collect telephone calls to Merced. That agent also will at such times handle damage claims. The agent now handles the Western Union service at Winton, in addition to his other duties.

Protestants' evidence shows that when the station is closed carload C.O.D. shipments can be handled only at Merced or Denair. Before such cars may be released payment must be made at Merced or at Denair and additional charges made for moving the car to Winton for unloading. Other inconveniences were described. The testimony of a shipper of fertile turkey eggs who wished to continue using Santa Fe's service at Winton was attempted to be discounted by applicant by the suggestion that the Southern Pacific Railroad might be better equipped to handle such traffic from its station at Atwater three miles distant. Exhibits submitted by applicants sought to show the following financial results of operating the Winton station as an agency.

| | 1950 | 1951 | 1952 |
|---|----------|----------|---------|
| 1. Revenues applicable to Winton (75% of interline, plus 50% of local, plus passenger, express, miscellaneous, and milk and cream). | \$23,134 | \$28,283 | \$8,966 |
| 2. Operating Expenses, other than Station, incurred in earning revenue applicable to Winton | \$18,382 | 23,251 | 7,470 |
| 3. Actual Station | | | |
| Expenses at Winton | \$ 5,600 | 6,811 | 7,211 |
| 4. Net loss from operating Winton (2 and 3 minus 1) | \$ 848 | 1,779 | 5,715 |

| | 1950 | 1951 | 1952 |
|---|--------|--------|--------|
| 5. Ratio of Station Expense to Revenues at Winton ($3 \div 1$) | 24.21% | 24.08% | 80.43% |
| 6. Ratio of Station Expense to Revenue at Winton during July to October during the same years | 6.93% | 10.06% | 45.88% |

These results cannot be considered as substantiated for the following reasons. The wages of the apprentice trainee have unjustifiably been included as a part of the cost of operating the Winton station. Except for the severe loss in carload shipments during 1952 the revenues during that year would have been substantially the same as in 1951. The evidence of protestants justifies the conclusion that the decline of carload shipments in 1952 was temporary and will be at or above the 1950 and 1951 level in future years. This loss of carload shipments according to the uncontradicted testimony was absorbed by truckers operating over the highway. The record of this proceeding does not disclose the extent to which this revenue was retained by the railroad company affiliate, the Santa Fe Transportation Company.

Applicants' witnesses stated that most of the less-carload freight offered to applicant railroad goes by truck in Santa Fe Transportation Company equipment. The volume of this movement is not shown by the record although applicants' witnesses testified that the local agent kept records of the truck company's business to and from Winton and otherwise took care of its local interests. No conclusions therefore may be drawn as to the value to that company of maintaining the Winton agency.

Much of the expense of the Winton agency during the period it would be closed must continue and will be charged to the station at which it will be performed. There is not sufficient evidence which would justify a finding that a substantial portion of the present expense at Winton would be saved to applicants by reason of the services being handled two-thirds of each year out of Merced

rather than as at present at Winton. The evidence on the other hand is direct and convincing that the removal of agency services at this station during eight months each year would result in loss of business by applicants and in inconvenience and annoyance to shippers and receivers of freight at Winton.

Applicants have failed to show to the satisfaction of the Commission that savings will result to applicants which can properly be said to outweigh the financial loss and inconvenience which it is found will be suffered by the public now using the agency at Winton. The action taken by the Commission at this time should not be considered as prejudicing applicants from renewing their request if pertinent evidence subsequently can be adduced to warrant it.

O R D E R

Application having been filed, public hearing having been held, the Commission having fully considered the evidence of record and basing its decision on the conclusions and findings set forth in the opinion,

IT IS ORDERED that Application No. 34634 is hereby denied.

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

Dated at San Francisco, California, this 31st day of

November, 1953.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners