

ORIGINAL

Decision No. 49561

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 RAILWAY EXPRESS AGENCY, INCORPORATED, ) Application No. 34424  
 for authorization to close its express )  
 office at Colfax, California. )

Pillsbury, Madison and Sutro, by Eugene M. Prince  
 and Noel J. Dvor, for applicant.  
Frank Gillie, for the City of Colfax, Colfax Area  
 Chamber of Commerce; Mrs. Betty Velican, for the  
 Placerville Foothill Grange of Weimar; R. R. Sweet,  
 for Colfax Fruit Growers Association; S. I. Harris,  
 for Weimar Joint Sanitarium, protestants.  
Leo Fried, for the Brotherhood of Railway Clerks,  
 interested party.

## O P I N I O N

In the above-entitled proceeding Railway Express Agency, Incorporated, requests authority to discontinue its express service at Colfax and to close that agency station. It alleges that the volume of business conducted by it at that office is not sufficient to justify the continued maintenance of express service at that point. It further alleges that the maintenance of such service and office has resulted in a financial loss to applicant, which will continue unless the office at that point is closed. A public hearing was had at Colfax on August 8, 1953, before Examiner Paul at which time evidence, both oral and documentary, was adduced and the matter was submitted.

Applicant's superintendent of its Northern California-Oregon-Nevada Division stated that Colfax at one time handled all of the express traffic for Grass Valley and Nevada City and was a transfer point for that traffic. The Grass Valley and Nevada City express traffic is now handled through the applicant's express office at Auburn. Applicant has one salaried employee in charge of

its office at Colfax. She is the exclusive employee of applicant. The express office is open from 8 a.m. to 5 p.m. Mondays through Fridays excepting legal holidays. Applicant's inbound and outbound traffic is handled by Southern Pacific trains arriving at and departing from Colfax at 6 a.m. and 9:30 p.m., respectively. About two months prior to the hearing applicant's office hours were 12:01 a.m. to 5 a.m. and 9 a.m. to 12 m. The witness stated that applicant desires to close the Colfax office as its revenues are insufficient to meet the expenses of its operation. He said that during the 30 months' period January 1951 to and including June 1953, the Colfax office received \$9,248 in revenue and incurred a total out-of-pocket expense of \$11,606 resulting in an excess of expenses of \$2,358. The average monthly excess of expenses for the period was \$78.60. However, the revenues and expenses for the year 1951 were equal which would result in an average net excess of expenses for the subsequent 18 months of \$131 a month. During the period of 30 months, more than 7,000 shipments were handled at that office. This includes the total of all shipments forwarded or received and interstate as well as intrastate shipments. (Exhibit No. 1)

(1)

A summary of this exhibit is shown in the margin. No carload

(1) The following is a summary of Exhibit No. 1 which shows the indicated results of applicant's operation at Colfax during the 30 months' period January 1951-June 1953, both months inclusive:

Year	Revenue	Salaries	*Other Expenses	**Total Expenses	Excess of Expenses	Number of Shipments	Average Cost per Shipment
1951	\$4,595	\$4,385	\$210	\$4,595	\$ 0	3,734	\$1.23
1952	3,519	4,524	225	4,749	1,230	2,674	1.77
1953 (6 Mos.)	1,134	2,157	105	2,262	1,128	715	3.16
	<u>\$9,248</u>	<u>\$11,066</u>	<u>\$540</u>	<u>\$11,606</u>	<u>\$2,358</u>	<u>7,123</u>	
Mo.							
Avg.	\$ 308	\$ 369		\$ 387	\$ 78.60	237	

\* Includes \$6 a month ground rent paid to Southern Pacific Company.  
\*\* Expenses were stated to be out-of-pocket only.

traffic was handled at the station. Pickup and delivery service is not provided. It was stated that the revenues credited to the station do not include inbound prepaid shipments nor outbound collect shipments. Among the expenses was a monthly item of \$6 paid to Southern Pacific Company as ground rental. According to the witness, in order to justify continuing the maintenance of the agency at Colfax on a permanent salaried basis, it would be necessary for the agency to have an average of not less than 1,500 shipments a month. The monthly average over the period indicated by Exhibit No. 1 is approximately 237 shipments.

In order to improve conditions at the Colfax office applicant's District Sales Representative during November 1952, appeared before the Colfax Chamber of Commerce and the Lions Club and made personal visits to about 15 of the leading business establishments in the city for the purpose of developing new business. It was this witness's information that despite the encouragements he had received, there had been no increase of express traffic at the station.

A number of persons engaged in different types of business at Colfax, Weimar and other points in the vicinity of Colfax which received or shipped traffic through the Colfax office, testified in opposition to applicant's proposal.

A representative of the Weimar Sanitarium situated about five miles south of Colfax stated that that institution has approximately 325 employees and averages 510 patients daily. It makes extensive use of Railway Express Agency for the transportation of various commodities including food stuff, motion picture films and many other items. He pointed out particularly that motion picture films used as part of its therapy are received once a week. There is no carrier, he asserted, which can be used for this service except

applicant either through Colfax five miles distant or at Auburn which is 12 miles from the sanitarium. The witness stated that there are two highway common carriers and one passenger stage corporation whose services are used to a limited extent. Use of one of the truck carriers is unsatisfactory particularly in connection with C.O.D. shipments which it will not leave as its hours of scheduled delivery do not coincide with the office hours of the sanitarium. The service of the other highway common carrier varies from 24 to 48 hours longer than service by applicant, and the passenger stage limits the size and weight of its shipments and does not transport motion picture films. This witness asserted that if the authority sought were granted, the sanitarium would be compelled to receive its shipments at Auburn and pick them up with its own equipment, which would increase its costs approximately \$325 a year for such service. Auburn is about 17 miles from Colfax.

A witness operating a wholesale florist enterprise near Gold Run stated that applicant is used almost exclusively for shipment of his commodities. He has very few inbound shipments. If the station were closed as proposed, he would then be compelled to use the Grass Valley or Auburn offices at an additional expense to him.

A poultry producer stated that he receives a shipment of day-old chicks about once each week throughout the year through Colfax which is about 2½ miles from his farm. If the station were closed, he would then be compelled to receive such shipments at Auburn, which would considerably increase his costs of operation.

A representative of the Colfax Fruit Growers Exchange, which has a membership of 92, stated that the exchange makes extensive use of applicant's service during the seasonal period of August through December, the shipments consisting mostly of fresh pears. The witness pointed out that the services of other types of

carriers for this commodity are not desirable. Another witness testified that a large part of fruit shipments made by him are gift packages. He has been using applicant's service for the past six or seven years principally during the months of November and December. During the month of December 1951 the transportation charges on outbound shipments amounted to more than \$950. In his opinion Railway Express service is the only suitable means of transportation for his commodities. If the local office should be closed, transportation of his shipments by other facilities would be more difficult, more expensive and more detrimental to the commodities handled.

The express service area of Colfax extends roughly from Emigrant Gap, about 20 miles easterly of Colfax, to points approximately midway between Colfax, on the one hand, and Auburn and Grass Valley, on the other hand. Colfax is the sole remaining agency express office between Auburn, which is 17 miles westerly, and Truckee 64 miles to the east.

While the evidence of record indicates the costs of operation of the Colfax office exceed the allocated revenues on an average of about \$131 a month based on the period of January 1, 1952 to June 30, 1953, inclusive, it also indicates the average monthly excess of expenses would have been lower if the results of the fresh fruit shipping season occurring in the latter part of the year 1953 could have been available. The period used in Exhibit No. 1 is not a balanced period and therefore does not properly reflect the revenues and expenses of the office. Exhibit No. 1 shows the monthly average excess of expenses for the 2½-year period to be \$78.60.

There was no evidence to indicate whether applicant had considered or made any attempts to make other agency arrangements

through which it might have substantially reduced its office expenses. The evidence is not convincing that handling an average of 237 shipments a month (Exhibit No. 1) requires the services of a full-time employee.

The principal witness for applicant stated that the station involved was losing money but admitted that the Northern California Division was producing revenues in excess of the expenses of operations.

The Commission finds and concludes that the small loss indicated in this record, when compared to the convenience of the shipping public using applicant's service, does not justify granting applicant's request.

O R D E R

A public hearing having been held in the above-entitled proceeding, the matter having been duly submitted and the evidence of record having been fully considered,

IT IS ORDERED that Application No. 34424 be and it is hereby denied.

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

Dated at San Francisco, Cal., California, this 18th day of January, 1954.

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

Commissioners

-6- Commissioner Justus F. Craemer, being necessarily absent, did not participate in the disposition of this proceeding.