

ORIGINALDecision No. 53779

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 UNION PACIFIC RAILROAD COMPANY, a)
 corporation, for authority to abandon)
 and close Nipton Station, San Bernar-) Application No. 37732
 dino County, California, and)
 Petition of Railway Express Agency,)
 Incorporated.)

E. E. Bennett and J. W. Crumley, for Union Pacific
 Railroad Company and Railway Express Agency,
 Incorporated.
Everett N. Cullender, for Railway Express Agency,
 Incorporated.
Schultheis and Leybourne by Norman R. Dows, for
 Molybdenum Corporation of America, interested party.
Ted W. Bernhardt for self, protestant.

O P I N I O N

A public hearing was held in this matter at Los Angeles before Examiner Mark V. Chiesa, and evidence, oral and documentary, having been adduced the matter was submitted for decision.

By this application, authority is sought by the Union Pacific Railroad Company and Railway Express Agency, Incorporated, to discontinue agency service at the Nipton, California station located near the California-Nevada border.^{1/} In rail miles, Nipton is approximately 57 miles from Las Vegas, Nevada, and 42 miles from Kelso, California, the nearest agency stations.

The evidence shows that the principal shipper of carload freight has been the Molybdenum Corporation of America, which operates the Mountain Pass Mine, where rare earths are mined, located approximately 17 miles from Nipton. Since the government has curtailed its

^{1/} Railway Express Agency, Incorporated, petitioned to be made a party to and take part in this proceeding and its request will be granted. The order will apply to both applicants.

stockpiling program, the shipments from this mine have fallen off considerably. It was testified that the tonnage shipped to and from said mine was much heavier in the years 1952 to 1954.

The Union Pacific Railroad Company's portion of the Nipton station revenue for 1955 and the first four months of 1956 was as follows (Exhibit No. 1):

	<u>Carloads</u>			<u>Less Carload</u>			<u>Total Revenue</u>
	<u>Fwd.</u>	<u>Rec'd.</u>		<u>Fwd.</u>	<u>Rec'd.</u>		
1955	18	12	\$13,325.44	700#	32,800#	\$618.38	\$13,945.20
1956 (4 mo)	4	1	4,091.98	100#	4,900#	121.35	4,213.33

The Nipton Station account shows an additional \$1,725.87 of Union Pacific Railroad Company revenue, for the January 1, 1955-April 30, 1956 period, which is creditable to the nearby nonagency stations Cima, Ivanpah and Jean.

Applicant lists station expenses for the year 1955 at Nipton of \$4,535.09 (Exhibit A filed with application). The record does not show what other expenses, if any, are chargeable to the Nipton Station.

A representative of the Railway Express Agency, Incorporated, testified that his company's revenue and expense at Nipton for 1955 and the first five months of 1956 were as follows:

	<u>Number of Shipments</u>	<u>Revenue</u>	<u>Expense</u>
1955	237	\$1,902.96	\$188.12
1956 (5 mo)	73	316.48	Approximately 10% of revenue

Although the Molybdenum Corporation of America did not protest the closing of the station, its position was that it would be inconvenient and unsatisfactory to conduct its mine freight business by telephoning to Las Vegas either from its mine or from the phone which the railroad proposes to provide at the station, and that an increased industrial demand for the company's ore will soon materialize.

Ted W. Bernhardt, who recently purchased the general store and other property at Nipton, testified that there is a present need for an agent and that station business will increase instead of diminish; that Nipton is the only agency station reasonably convenient for a large area; that people will not drive forty miles to Kelso for express shipments and that it is inconvenient to handle less-carload shipments by leaving them and picking them up at an unattended and unlocked station house.

The record shows applicant closed its station at Jean, Nevada, situated between Nipton and Las Vegas, approximately two years ago, and closed its station at Ivanpah, California, situated between Nipton and Kelso, California, sometime ago. If the Nipton Station is closed, there will be no agency station between Las Vegas, Nevada and Kelso, California, a distance of approximately 99 miles.

On the record in this proceeding we are unable to conclude that the continuation of an agency station at Nipton would have any material adverse effect on applicant's over-all operating result.

The application will be denied.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED that Application No. 37732 be, and it hereby is, denied.

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

Dated at San Francisco, California, this 18th day of SEPTEMBER, 1956.

[Signature]
President
[Signature]
[Signature]
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Commissioners