

ORIGINAL

Decision No. 56925

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; for)
 authority to reduce its passenger)
 train service between Bakersfield,)
 Oakland and certain intermediate)
 points by discontinuing Trains Nos.)
 61 and 6.)

Application No. 39616

Appearances

Robert W. Walker, Joseph H. Cummins, Henry W. Moffatt, Ross E. Chappell, and Frederick G. Pfommer, for The Atchison, Topeka and Santa Railway Company, applicant.
Sherrill D. Luke, Administrative Assistant to the City Manager, for the City of Richmond, interested party.
E. A. McMillan, for California State Legislative Committee, Brotherhood of Railway & Steamship Clerks; George W. Ballard, for Brotherhood of Railroad Trainmen; G. R. Mitchell, for Brotherhood of Locomotive Engineers; William V. Ellis, for Brotherhood of Locomotive Firemen and Enginemen; Leonard M. Wickliffe, Alternate Legislative Representative, for California State Legislative Committee of Order of Railway Conductors and Brakemen; and Robert M. Bonesteel, for Division 553 of the Brotherhood of Locomotive Engineers, protestants.
Cyril M. Saroyan, William Peters and Clyde Neary, for the Commission staff.

O P I N I O N

On December 4, 1957, applicant, hereinafter sometimes called Santa Fe, filed its application requesting authority to reduce its passenger train service between Bakersfield and Oakland and the points intermediate thereto by discontinuing Trains Nos. 61 and 6.

The present schedule of the passenger trains operated by applicant between Bakersfield and Oakland is as follows:

WESTBOUND

	<u>No. 1 San Francisco Chief</u>	<u>No. 61 Golden Gate</u>	<u>No. 63 Golden Gate</u>	<u>No. 7 Passenger</u>
Bakersfield	7:45 a.m.	11:00 a.m.	4:30 p.m.	8:05 p.m.
Hanford	9:02 a.m.	12:09 p.m.	5:39 p.m.	9:40 p.m.
Fresno	9:40 a.m.	12:41 p.m.	6:11 p.m.	10:23 p.m.
Merced	10:40 a.m.	1:40 p.m.	7:10 p.m.	12:05 a.m.
Empire	11:10 a.m.	2:10 p.m.	7:40 p.m.	12:52 a.m.
Stockton	11:50 a.m.	2:45 p.m.	8:18 p.m.	1:51 a.m.
Richmond	1:30 p.m.	4:15 p.m.	9:48 p.m.	3:46 a.m.
Oakland	2:20 p.m.	4:50 p.m.	10:30 p.m.	4:30 a.m.

EASTBOUND

	<u>No. 60 Golden Gate</u>	<u>No. 2 San Francisco Chief</u>	<u>No. 62 Golden Gate</u>	<u>No. 6 Passenger</u>
Oakland	8:10 a.m.	11:25 a.m.	6:00 p.m.	11:10 p.m.
Richmond	3:42 a.m.	11:57 a.m.	6:32 p.m.	11:46 p.m.
Stockton	10:08 a.m.	1:24 p.m.	8:00 p.m.	1:35 a.m.
Empire	10:43 a.m.	1:55 p.m.	8:35 p.m.	2:34 a.m.
Merced	11:15 a.m.	2:30 p.m.	9:05 p.m.	3:40 a.m.
Fresno	12:10 p.m.	3:25 p.m.	10:00 p.m.	4:52 a.m.
Hanford	12:50 p.m.	4:05 p.m.	10:40 p.m.	5:55 a.m.
Bakersfield	2:10 p.m.	5:25 p.m.	11:50 p.m.	7:30 a.m.

The tentative proposed schedule for the trains that will remain in service in the event Trains Nos. 61 and 6 are discontinued is, in abbreviated form, as follows:

WESTBOUND

	<u>No. 1 San Francisco Chief</u>	<u>No. 63 Golden Gate</u>	<u>No. 7 Passenger</u>
Bakersfield	7:45 a.m.	3:30 p.m.	8:05 p.m.
Oakland	2:20 p.m.	9:30 p.m.	4:30 a.m.

EASTBOUND

	<u>No. 60 Golden Gate</u>	<u>No. 2 San Francisco Chief</u>	<u>No. 62 Golden Gate</u>
Oakland	8:10 a.m.	11:25 a.m.	6:00 p.m.
Bakersfield	2:10 p.m.	5:25 p.m.	11:59 p.m.

By this schedule the departure and arrival times of Train No. 63 are advanced one hour.

Public hearings were held before Commissioner C. Lyn Fox and Examiner Wilson E. Cline at Oakland on February 13 and 14, 1958, at Fresno on February 27, 1958, and at Bakersfield on February 28, 1958. The matter was taken under submission with the filing of closing statements on March 15, 1958. The closing statement of applicant was submitted to the Commission on March 21, 1958, and the closing statement of protestant Brotherhood of Locomotive Engineers was submitted to the Commission on March 25, 1958. It is hereby ordered that the closing statement of applicant shall be filed as of March 21, 1958, and the closing statement of protestant Brotherhood of Locomotive Engineers shall be filed as of March 25, 1958 and thereby they shall be made part of the record in this proceeding.

During the course of the hearings the representative for the Brotherhood of Railroad Trainmen moved that the Commission, on its own motion, open an investigation into the adequacy and sufficiency of passenger service of Santa Fe between points in California. The motion was taken under submission and will be disposed of in this decision.

Description of Santa Fe's Passenger Train
Service between Bakersfield and Oakland

At the present time Santa Fe operates four northbound and four southbound passenger trains between Bakersfield and Oakland.

Trains Nos. 1 and 2 are the west and eastbound San Francisco Chiefs which operate between Chicago and Oakland through the San Joaquin Valley with connecting Santa Fe bus service between Oakland and San Francisco. They are made up of modern, lightweight, streamlined equipment.

Trains Nos. 6 and 7 are primarily mail and express trains with both lightweight and standard mail, baggage and express cars.

Both of these trains also carry one standard chair car between Bakersfield and Oakland and have connecting bus service between Oakland and San Francisco. Train No. 6, which is the southbound train, terminates at Bakersfield. Train No. 7, which operates northbound, is a through train from the east.

Trains Nos. 61 and 63 are the northbound Golden Gates and Trains Nos. 60 and 62 are the southbound Golden Gates. These trains are operated between Oakland and Bakersfield and have bus connections between San Francisco and Oakland and between Bakersfield and Los Angeles, and rail or bus connections between Bakersfield and Barstow. These trains are made up of lightweight chair cars, diners, lounge cars, and baggage cars.

Effect of the Proposed Schedule Changes

The normal consist of Train No. 6 is one combination railway post office and baggage car, four baggage cars, one chair car and extra deadhead cars. Train No. 6 is the counterpart of Train No. 7. As the predominant flow of mail, baggage, and express is from eastern points to the San Francisco Bay area, many of the baggage cars on Train No. 7 must be returned empty. If the applicant is authorized to discontinue Train No. 6 arrangements will be made to transport the southbound mail and express by trucks of the Santa Fe Transportation Company. The deadhead mail and baggage cars will be returned on eastbound freight trains.

Applicant's Exhibits 6-d, 6-e and 6-f show the numerical distribution of local and through revenue passengers on Train No. 6 between Bakersfield and San Francisco and intermediate points together with the total number of such passengers for the months of October,

November and December, 1957, respectively. The following tabulation is taken from these exhibits.

	<u>Total No. of Passengers</u>	
	<u>Local</u>	<u>Through</u>
October, 1957	207	1
November, 1957	168	30
December, 1957	183	5

A Commission staff engineer made a riding check of the passengers carried on Train No. 6 on February 4, 1958. On this day eight revenue and seven pass riders, or a total of 15 passengers, were carried. This appears to be a typical number of passengers.

Tables 5 and 6 of the Commission staff Exhibit No. 47 show the amounts of mail, baggage, and express that were transported on Train No. 6 on February 4, 1958. Practically all the shipments had been put off the train by the time it reached Bakersfield.

Train No. 61 is operated primarily for transporting passengers. Its consist normally includes one baggage car, one diner ^{or} car, one lounge car, and four to six chair cars. Mail and express are not usually carried. If Train No. 61 is discontinued, the cars from Train No. 62, which is its southbound counterpart, will be returned to Oakland on Trains Nos. 1 and 7. The diner on Train No. 62 will be cut off at Fresno.

Patronage on Train No. 61 has declined at about the same rate as the passenger decline on the other Golden Gate trains. Applicant's Exhibit No. 5 shows that the yearly total number of passengers for 1957 was approximately 50% of the traffic volume in the year 1948 which has not been exceeded since that year. The exhibit also shows that in each year since 1948 the total passengers carried by Train No. 61 have exceeded the number of passengers carried by each of the other Golden Gate trains. During 1957 Train No. 61 carried 79,879 passengers, Train No. 60 carried 73,992 passengers, Train No. 62 carried 63,431 passengers and Train No. 63 carried 57,778 passengers.

Table 8 shows the maximum and minimum number of passengers carried daily on Train No. 61 for each month during the year 1957. The minimum number of daily passengers carried during 1957 was 81 and the maximum number was 566. On the minimum day there were only 12 through passengers from the Los Angeles area carried by the connecting bus, and on the maximum day there were 163 such bus passengers. The majority of the passengers transported by Train No. 61 were traveling locally between Bakersfield, Oakland-San Francisco and intermediate points.

Applicant's Exhibit No. 6 shows that for the months of November and December, 1957, and January, 1958, the percentages of pass passengers to total passengers were as follows: 19.63%, 18.69% and 21.40%.

The principal connection at Barstow that would be affected by the discontinuance of Train No. 61 would be the Orange Belt Stages connecting bus service and Train No. 123, the Grand Canyon Limited. Train No. 63, which would be the next train leaving Bakersfield, would depart at 3:30 p.m., whereas Train No. 61 now leaves at 11 a.m. However, passengers from Train No. 123 could make a connection at Bakersfield with the San Joaquin Daylight, Train No. 51, at 11:50 a.m.

The record shows that the reason applicant decided to seek authority to discontinue Train No. 61, even though it carried more passengers than the other Golden Gate trains, was because passengers now using Train No. 61 could take Southern Pacific's San Joaquin Daylight Train No. 51 which serves many of the points now served by Train No. 61 a little less than an hour later. There is no comparable alternate passenger train service for the other Golden Gate trains.

The departure and arrival times of Train No. 63 have been advanced an hour in order to reduce the spread of time between the proposed schedules of Trains Nos. 1 and 63. This change in schedule

will inconvenience passengers traveling through from San Diego. At the present time passengers may leave San Diego at 9:45 a.m. and arrive in San Francisco at 10:45 p.m. Under the proposed schedule passengers would have to leave San Diego at 7 a.m. (except Sunday) and would arrive in San Francisco at 9:55 p.m. If we consider Southern Pacific's San Joaquin Daylight as a substitute for Santa Fe's Train No. 61, retention of the present schedule would offer patrons a better choice of departure times.

Alternate Service

The Southern Pacific Company operates the San Joaquin Daylight and the Owl trains daily between Los Angeles and Oakland-San Francisco through Bakersfield and San Joaquin Valley points and the West Coast every night between Los Angeles and Sacramento via Bakersfield and San Joaquin Valley points. The Coast Daylight and the Lark trains are operated each day by Southern Pacific between Los Angeles and San Francisco via the Coast route.

Western Greyhound Lines operates 46 daily northbound bus schedules in the area between Los Angeles and Oakland and San Francisco. Sixteen of these schedules operate between San Francisco and Los Angeles via the San Joaquin Valley and 13 via the Coast, 7 from Los Angeles to Stockton, 1 from Los Angeles to Merced, 3 from Los Angeles to Fresno, 2 from Bakersfield to San Francisco, 3 from Fresno to San Francisco and 1 from Fresno to Stockton. Similarly, there are 46 daily schedules southbound, with 16 operating from San Francisco to Los Angeles via the San Joaquin Valley and 14 via the Coast route, 2 from San Francisco to Bakersfield, 1 from San Francisco to Fresno, 9 from Stockton to Los Angeles, 3 from Fresno to Los Angeles, and 1 from Stockton to Fresno. Western Greyhound Lines also operates such extra sections as business demands.

Continental Trailways operates 6 daily northbound schedules via the San Joaquin Valley from Los Angeles to San Francisco, and 2 from Los Angeles to Stockton. Southbound it operates 5 daily schedules via the San Joaquin Valley from San Francisco to Los Angeles, and 2 from Stockton to Los Angeles.

Exhibit 22 shows that United Air Lines has a total of 38 schedules northbound with 24 nonstop flights from Los Angeles to San Francisco daily, 1 from Los Angeles to San Francisco with intermediate stops, also from Los Angeles to San Francisco 5 daily except Sunday flights, 2 flights on Sunday only, 1 on Friday only, 1 daily except Saturday and 1 daily except Friday and Sunday, 1 from Los Angeles to Fresno daily, 1 from Los Angeles to Stockton daily except Saturday and 1 from Fresno to San Francisco daily except Sunday. The southbound schedules of United Air Lines are comparable to its northbound schedules.

Trans World Airlines has 7 daily flights between San Francisco and Los Angeles in each direction. Pacific Southwest Airlines in each direction between Los Angeles and San Francisco has 3 flights daily except Friday and Sunday, 1 on Saturday, 3 Sundays only, 2 Fridays only, 3 Fridays and Sundays only, and 1 Monday through Thursday. Western Airlines has 12 daily flights in each direction between Los Angeles and San Francisco.

Southwest Airlines has 5 daily flights from Los Angeles to San Francisco; 3 daily flights, 1 daily except Sundays and holidays,

and 1 Sundays and holidays only flight from San Francisco to Los Angeles; 2 daily flights and 1 daily except Sundays and holidays flight from Los Angeles to San Francisco via Bakersfield; 2 daily flights, 1 daily except Sundays and holidays flight and 1 Sundays and holidays only flight from San Francisco to Los Angeles via Bakersfield; 1 daily flight and 1 daily except Sundays and holidays flight from Stockton to San Francisco, 1 daily except Sundays and holidays flight and 1 Sundays and holidays only flight from San Francisco to Stockton.

Applicant's witnesses testified that improved highways in the San Joaquin Valley are responsible for a considerable part of the decline in rail passenger traffic on its San Joaquin Valley trains. These improved highways have greatly encouraged the use of the private passenger automobile as an alternative means of transportation between Los Angeles and San Francisco and intermediate San Joaquin Valley points.

System Operating Results

Exhibit No. 35 shows that the rates of return on the basis of I.C.C. valuation for the Santa Fe Railway System for the years 1949 through 1956, inclusive, have ranged from a high of 7.91% in 1950 to a low of 5.28% in 1956. The corresponding figures on the basis of book investment are 7.20% for 1950, and 4.83% for 1956. The rate of return for 1957 on book investment has fallen to 4.06%.

Exhibit No. 36 shows the results from operation of passenger and allied services of the Santa Fe Railway System for the years

1947 through 1956, inclusive. Passenger revenues have declined from \$50,198,000 in 1947 to \$44,594,000 in 1956, whereas the net loss on the passenger service has increased from \$14,815,000 in 1947 to \$52,479,000 in 1956. A witness for Santa Fe testified that the passenger deficit for 1957 will exceed the 1956 passenger deficit.

Operating Results of
Passenger Trains Nos. 61 and 6

Exhibit No. 39 shows railway operating revenues, out-of-pocket railway operating expenses, payroll taxes and equipment rental, and net revenue applicable to passenger Trains Nos. 61 and 6 for the 6-month period February, April, June, August, October and December, 1957, expanded to a full year. Exhibit No. 40 adjusts the amounts shown on Exhibit No. 39 to include effect of the 5% increase in intrastate rates effective May 20, 1957, the effect of the 7½% increase in mail pay effective July 1, 1957, increases in wage costs effective November 1, 1957, and increases in the costs of materials and supplies.

The following tabulation of annual amounts on an out-of-pocket basis is taken from Exhibit No. 40:

<u>Item</u>	<u>Train No. 61</u>	<u>Train No. 6</u>	<u>Total</u>
Revenues	\$331,424	\$147,394	\$478,818
Operating Expenses, Taxes and Rents	<u>580,708</u>	<u>391,712</u>	<u>972,420</u>
Out-of-Pocket Loss	249,284	244,318	493,602

The exhibit lists several items of expense which are not included in the above figures. To the extent that such items represent out-of-pocket expenses the out of pocket loss as shown is low.

Exhibit No. 41 sets forth estimates of the current or immediate savable expense and changes in net by discontinuing Trains Nos. 61 and 6 as proposed in the application. Long range savings have been excluded from the estimates. The unbalance of train equipment and extra switching which would result has been taken into account. Exhibit No. 41 also considers the effect of the removal of the dining car from Train No. 62 at Fresno, the addition of two chair cars to Train No. 1 at Bakersfield, and the removal of the RPO car from Train No. 62 from Bakersfield to Oakland. Exhibit No. 41 shows the net saving on an annual basis that would result from the discontinuance of Trains Nos. 61 and 6 as \$251,794.

There will be no change in the operating expenses of the connecting bus service between Los Angeles and Bakersfield, but it is estimated that the bus revenues of the Santa Fe Transportation Company will be reduced by \$25,000 per year.

Exhibit No. 42 shows that the estimated net saving per year of \$251,794 will be reduced to \$217,641 by reason of eliminating the RPO car from Train No. 63, savings resulting from cutting certain cars out of Train No. 62 at Fresno, additional switching expense at Oakland and additional bus and truck service expense in connection with the two additional chair cars to be added to Train No. 1, and additional switching expense at Oakland in connection with Train No. 7.

Exhibit No. 43 relates to personal injury claim payments on the passenger trains which have operated between Bakersfield and San Francisco during the years 1953 through 1957. The average cost per train per year is shown as \$18,566.16.

Support of Application
by Freight Shippers

Several freight shippers appeared on behalf of applicant in support of the application. They took the position that any reduction in out-of-pocket loss in passenger train operations would help

in forestalling further increases in freight rates. They pointed out that any factor which would increase their freight bills would make it more difficult for them to compete in eastern markets with shippers who have a shorter haul.

Position of Protestants

Two members of the public at Fresno and one member of the public at Bakersfield made statements in opposition to the granting of the application. The two members of the public who stated that they used Train No. 61 admitted that if Train No. 61 were discontinued they could use the Southern Pacific San Joaquin Daylight Train No. 51. The member of the Fresno County Board of Supervisors summarized his prepared statement which was copied into the record as follows:

"That the Railroad Managers should work towards adding service rather than to discontinue it."

Representatives of the operating railroad brotherhoods actively participated as protestants throughout the entire course of the hearings on this matter.

The representative of the Order of Railway Conductors and Brakemen contended that applicant has failed to justify the granting of the application, and urged that the Commission undertake

"a State-wide investigation into the adequacy and sufficiency of all rail passenger service within the State of California and thereby assure an integrated passenger service which can, and will, meet the needs of the public and provide convenient service between all points in the State and thereby further contribute to the State-wide development of California."

The representative for the Brotherhood of Locomotive Firemen and Enginemen requested the dismissal of the application and the institution of a Commission investigation of Santa Fe passenger service within the State of California.

A representative of the Brotherhood of Railway Clerks asked the Commission to dismiss the application herein on the grounds that

Santa Fe has failed to establish a true cause of such discontinuance.

The representative of the Brotherhood of Locomotive Engineers stated:

"an analysis of the passenger traffic records and statistical data introduced by the applicant and the commission's staff point to the fact that a reduction in service may be warranted."

He submitted:

"that Train No. 63 should retain its present schedule; that the Orange Belt Stage continue to leave Barstow at 7:40 a.m.; and that the practice of optional ticket honoring arrangement instituted on February 1, 1958, by and between applicant and the Southern Pacific Company in San Joaquin Valley between common points serviced from San Francisco to Bakersfield be extended to include all points between the Los Angeles area and San Francisco area via the San Joaquin Valley routes."

Recommendations of
the Commission Staff

The Commission staff submitted in evidence a report relative to the proposed elimination of Trains Nos. 61 and 6. In this report the staff concluded that the discontinuance of Train No. 6 would have a very minor effect on the traveling public in view of the small number of passengers using this train; and the mail and express can be handled satisfactorily on other trains or by truck. The staff also concluded that the discontinuance of Golden Gate Train No. 61 would be disadvantageous to a substantial number of passengers who use this particular train.

The Commission staff recommended that in the event the Commission authorizes the discontinuance of Train No. 61, that:

1. Santa Fe be required to provide bus schedules between the Los Angeles area and Bakersfield, making direct connections with Southern Pacific Company's San Joaquin Daylight Trains Nos. 51 and 52, in order to preserve the time-saving features of the co-ordinated rail-bus service between Los Angeles area and the San Joaquin Valley.

2. The optional ticket honoring arrangement instituted on February 1, 1958, by Santa Fe Railway Company and Southern Pacific Company in the San Joaquin Valley between common points served from San Francisco to Bakersfield be extended to include all points between the Los Angeles area and San Francisco via San Joaquin Valley routes.

Conclusion

The record clearly shows that Trains Nos. 61 and 6 operate at large out-of-pocket losses and that substantial savings would result from their discontinuance. The monetary savings to be achieved must be weighed against the necessity and convenience of the public. The number of passengers using Train No. 6 is negligible and discontinuance of this train would have virtually no effect on the traveling habits of the public. It is with Train No. 61 that we are concerned. The record shows that approximately 80,000 passengers used Train No. 61 during 1957. If discontinuance of Train No. 61 were to deprive the passengers who have used it of adequate service there would be no question as to the necessity of retaining this train, despite the heavy out-of-pocket losses sustained in its operation. Such is not the fact however. Discontinuance of Train No. 61 would leave three Santa Fe passenger trains operating daily in each direction through the San Joaquin Valley. In addition, as the evidence clearly established, an abundance of other transportation services by train, bus and airplane are available to the traveling public in this particular section of California. While the passengers presently using Train No. 61 apparently find it more to their liking than other trains or other types of transportation, the facts remain that (1) they do not patronize it sufficiently to enable it to operate without substantial losses, and (2) the elimination of this train still would leave these passengers with ample accommodations on other trains and by other modes of transportation. The evidence clearly shows that within the past 10 years the number of persons using Santa Fe trains in the San Joaquin Valley has been cut in half.

Evidence shows also that approximately two thirds of the passengers who used Train No. 61 in 1957 could be served by the San Joaquin Daylight, which serves many of the same points approximately 50 minutes later. While this Commission adheres to the principle that a public carrier must meet its obligation to the public, such obligation is a two-way street, and when sufficient numbers of the public choose not to use the service afforded, to the point where the operation becomes highly unprofitable, the carrier cannot be expected, indefinitely, to continue the full service it heretofore had rendered. By reducing unprofitable operations, applicant will be in a better position adequately to maintain its remaining services thereby providing more benefit to more people. The Commission is of the opinion and hereby finds that public convenience and necessity no longer require applicant to operate its passenger Trains Nos. 61 and 6 between Bakersfield and Oakland and intermediate points, and that applicant's request for authority to discontinue the operation of said passenger trains should be granted subject to the following conditions:

1. That applicant co-ordinate the schedule of its Train No. 123, and arrange with Orange Belt Stages and Santa Fe Transportation Company for the co-ordination of the present schedule of their buses connecting with Train No. 61, with the schedule of the San Joaquin Daylight Train No. 51 of Southern Pacific Company so that passengers south and east of Bakersfield who formerly used Train No. 61 may conveniently use the Southern Pacific Company San Joaquin Daylight Train No. 51 between Bakersfield and Oakland-San Francisco and intermediate points.

2. The optional ticket honoring arrangement instituted on February 1, 1958 by Santa Fe Railway Company and Southern Pacific Company in the San Joaquin Valley between common points served from

San Francisco to Bakersfield be extended to include the Los Angeles area and San Francisco and all intermediate common points between the Los Angeles area and San Francisco via San Joaquin Valley routes.

The motion of the representative for the Brotherhood of Railroad Trainmen that the Commission open an investigation into the adequacy and sufficiency of passenger service of Santa Fe between points in California is hereby denied. Likewise the request for a state-wide investigation of all passenger train operations in California will be denied.

O R D E R

A public hearing having been held in the above-entitled proceeding, the matter having been submitted and based upon the evidence of record and the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED:

1. That The Atchison, Topeka and Santa Fe Railway Company, the applicant herein, is hereby authorized to discontinue the operations of its passenger Trains Nos. 61 and 6 between Bakersfield and Oakland and intermediate points.
2. That applicant shall cancel in conformity with the rules of this Commission all passenger timetables applicable to Trains Nos. 61 and 6.
3. That applicant shall give not less than seven days' notice to the public of its discontinuance of the passenger train service herein authorized by posting notices in Trains Nos. 61 and 6 and in agency stations involved.
4. That applicant shall notify this Commission in writing of the date of discontinuance of the operation of the passenger trains herein authorized within thirty days after the discontinuance of operation of said trains.

5. That the authorizations herein granted shall expire if not exercised within ten months from the date hereof.

6. The effective date of this order shall be twenty days after the last date of filing in this proceeding of all the following documents:

- a. A written statement by applicant showing that Orange Belt Stages will provide connecting bus service between applicant's Train No. 123 at Barstow and Southern Pacific Company's Train No. 51 at Bakersfield after the discontinuance of Train No. 61.
- b. A written statement by applicant showing that Santa Fe Transportation Company will provide connecting bus service between its stations and stops in the Los Angeles area and Southern Pacific Company's Train No. 51 at Bakersfield upon the discontinuance of Train No. 61.
- c. A written statement by applicant showing that the optional ticket honoring arrangement instituted on February 1, 1958, by applicant and Southern Pacific Company in the San Joaquin Valley between common points served from San Francisco to Bakersfield has been extended to include the Los Angeles area and San Francisco and all intermediate common points between the Los Angeles area and San Francisco via San Joaquin Valley routes.

Dated at San Francisco, California, this 8th day of July, 1958.

S. Lynn Fox
 President

Paul Waterman

W. H. [unclear]

 Commissioners

DISSENT

I dissent from that portion of the opinion which finds that public convenience and necessity demand the discontinuance of train No. 61. It is my opinion that applicant has failed to offer sufficient evidence which would support this finding. The exhibits introduced and the facts brought out upon cross-examination clearly show that public convenience and necessity require the continuance of service by train No. 61. The fact that eighty thousand travellers annually chose this service offered by the Santa Fe on this train over car, bus, air, and competitive rail service supports the applicant's original contention that public convenience and necessity required this service to be inaugurated. This particular Golden Gate Train carries the greatest proportion of Santa Fe passengers in the San Joaquin Valley, 29% in 1957 compared to 27% on Train No. 60, 23% on Train No. 62 and 21% on Train No. 63.

The majority opinion places primary emphasis upon the "substantial" losses being encountered by the Santa Fe in the operation of Train No. 61. If this criteria is to be accepted as the standard requirement to justify the abandonment of passenger train service, then the day when all passenger train service in California will be removed through piecemeal consideration is near at hand.

Although applicant claims that the public now being served by train No. 61 would accept the alternatives of other Santa Fe trains and the later Southern Pacific San Joaquin "Daylight," it is clear that no adequate alternative service is being offered. Train No. 1, the San Francisco Chief, departs from Bakersfield three hours and fifteen minutes earlier than Train No. 61. Its actual schedule has borne so little resemblance to that announced, that little public confidence exists among those who are accustomed to the dependability commonly associated with railroading. The actual operating performance of this train is very poor for a substitute, averaging 72% on-time even when up to fifteen minutes late is considered on-time. During June, July and August when heavy summer

traffic is experienced, the train is on-time 37%, 48% and 64% respectively, and in December when heavy mail is carried the on-time performance is only 58%.

Applicant suggests that its Southern Pacific competitor, the San Joaquin "Daylight" provides alternative service from Bakersfield. The evidence does not support this contention. The "Daylight" departs from Bakersfield twenty-eight minutes later and arrives at San Francisco two hours and fifteen minutes later. The passenger would be required to spend more than 29% longer on the train, plus the fact that the arrival time at San Francisco would be after the dinner hour. Also, the San Joaquin "Daylight" does not provide any service to or from Wasco, Shafter, Corcoran and Hanford, nor direct service between Stockton and the Bay Area (San Francisco-Pittsburg). Since 34% of the passengers on Train No. 61 travel between these points, the Southern Pacific's substitute service is completely inadequate to a substantial number of the people now served by the Santa Fe.

The majority decision is predicated on the assumption that the Santa Fe will continue to provide bus feeder service at Bakersfield, and the Commission order requires that this service be continued to provide a connection with the San Joaquin "Daylight." However, at the hearing the Santa Fe expressed strenuous resistance to this suggestion.

The majority decision also requires the Santa Fe and the Southern Pacific to broaden their ticket exchange arrangement which now encompasses Bakersfield and Bay Area points to include Los Angeles. This, too, was resisted by the Santa Fe. The likelihood of popular preference for a system of carriage which requires no bothersome transfer suggests a probable imbalance in revenues favoring the Southern Pacific. This prospective loss of revenue adds weight to applicant's resistance of any further broadening of the ticket exchange privilege.

Applicant's statement that other railroad carriage will absorb the passengers from discontinued Train No. 61 is not borne out by experience. Illustrative of this is the fact that the Southern Pacific Company suffered a substantial loss of its traffic upon consolidation of the Lark and the Starlight when only a one-hour differential existed in the scheduled service. It has been a sad fact that the reduction of rail service has lost many passengers who would have preferred to use such service and that the effect is broader than just the particular service immediately affected.

Applicant's suggestion that the Southern Pacific "Owls" and the coast-line service provide suitable alternative service is completely unsupported by the facts and not material to the question of public need for daylight valley rail transportation. The average passenger travels 187 miles on Train No. 61 which illustrates that the public has demonstrated a particular need and preference for this type of service in the San Joaquin valley.

Applicant has presented carefully tabulated data on the other transportation services available to "valley" travellers and respectfully suggests that the public utilize the services of their competitors. This gesture stands in sharp contrast to the following public-spirited statement of the Santa Fe made in their original application for a coordinated rail-bus certificate ". . . we propose therewith to afford effective and salutary competition to Greyhound and Southern Pacific."^{1/} In response to this declaration the Commission unequivocally stated:

"We stress again that the prime justification for granting the certificates as hereinafter in this order outlined, is to give the people within the territory sought to be served the advantages of an integrated, coordinated, rail-bus passenger service, which shall be wholly owned and operated by Santa Fe system, and which shall be effectively competitive with Greyhound and Southern Pacific."^{2/}

^{1/} 41 C. R. C.239 at 303, Decision No. 30790 (1938).

^{2/} Ibid.

It is impossible to reconcile the majority's treatment of the Santa Fe connecting bus service with this statement of Commission policy.

Applicant's use of 1948 figures for comparison does not reflect the "normal" transportation needs of the area because during this period the railroads were still handling the war-swollen traffic load.

Applicant cites the fact that only two members of the public protested the proposed discontinuance of service. This small showing is quite natural because the public, although interested, has little time to devote to matters of this nature. It is just for that reason that this Commission was established - to protect the public interest and to inquire into the public convenience and necessity of matters within its purview.

Applicant's use of system revenue figures is quite misleading. It cites million dollar figures which drastically decline with each calendar year. Much more pertinent to the present inquiry is the revenue record of Train No. 61. It shows that there has been little overall change in revenue earned in the years 1955, 1956 and 1957. The figures for these years are, respectively, \$332,024, \$322,740, \$327,682. Also significant is the fact that no decline is apparent in the total revenue earned within California by the Santa Fe. In 1956 it was \$95,725,203 and in 1957 it was \$97,409,317.

In view of the facts which unequivocally show the popular preference for Train No. 61 and that the loss sustained by applicant is not substantial in comparison with its earnings, it is my finding that there has been no adequate showing that public convenience and necessity does not require the continuance of Train No. 61.


PETER E. MITCHELL, Commissioner

I concur:


Theodore H. Jenner, Commissioner