

ORIGINAL

Decision No. 58360

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
 SOUTHERN PACIFIC COMPANY and RAILWAY)
 EXPRESS AGENCY, INCORPORATED, for)
 authority to discontinue agency and)
 to remove the station buildings at) Application No. 40639
 FELTON, County of Santa Cruz, State)
 of California, and to maintain said)
 station as a Class A nonagency station.)

Randolph Karr and Harold S. Lentz, for applicants.
William G. Higgins and T. N. Toft, for Pacific
 Cement & Aggregates, Inc.; Eugene R. Booker,
 for Rock Sand & Gravel Producers Association of
 Northern California; Alice Wilder, for San Lorenzo
 Valley Chamber of Commerce; Penny Griffiths, for
 Hallcrest Vineyard; Willard Lentz, for Santa Cruz
 Lumber Co.; H. D. Frankel and Peter Lambert, for
 Central Supply Company, protestants.

O P I N I O N

By application filed December 4, 1958, these applicants request authority to discontinue their agencies at Felton, and the Southern Pacific Company asks permission to remove its station building.

Public hearings on this application, after due notice, were held in Felton before Examiner Rowe on February 4 and 5, 1959. Evidence was adduced, and upon request of applicants the matter was submitted with the right granted to the parties to file concurrent briefs within 45 days after February 5, 1959.

The evidence produced by Southern Pacific Company may be summarized as follows:

Felton is a station on the Santa Cruz Branch of applicant Southern Pacific Company located 6.8 miles north of Santa Cruz. This branch presently terminates at Olympia which is located two miles beyond Felton. In 1949 a centralized billing bureau was established at Watsonville. Consequently the agent at Felton has

for some time been performing no accounting or billing functions. As a result of these previously accomplished changes, the Felton agent now is required to work no more than about two hours per day.

By discontinuing the agency at Felton, Southern Pacific Company will decrease its costs of conducting operations on the branch line by approximately \$5,600 annually. In addition, by removing the station building, the company will obviate the necessity of making substantial needed repairs to the station building, which, due to advanced age, will require extensive renovation, if not complete renewal, before many years.

All less-than-carload shipments and deliveries are handled by trucks of Pacific Motor Trucking Company, which maintains pickup and delivery service in Felton, and there will be no change in the service offered by Pacific Motor Trucking Company if the agency is discontinued. The driver of the truck is authorized to sign bills of lading and to make collections. Damage inspections, of which there were only eight in 1958, will be made by personnel from the Santa Cruz Agency whenever requested by a patron. Additionally, a caretaker will be provided in Felton to handle freight shipments which for some reason cannot be delivered or picked up by the truck on its regular run, thereby providing a substitute for the service presently performed by the Felton agent in connection with the movement of less-than-carload freight, to wit: depot deliveries.

At the present time carload freight patrons receive daily service except on Sunday. The train arrives in Felton during normal business hours and, after making the morning switch at Olympia, returns to the Felton station where it remains for two or three hours before again proceeding to Olympia to make the final switch of the day. There is one carload industry, a lumber industry, located near the station of Felton. There are three industries located at the nonagency of Olympia, shipping sand, rock, and gravel. After the discontinuance of the Felton agency, car orders, changes in car orders, requests for damage inspections and other business for which the Felton agent would presently be contacted will be handled by using the toll-free telephone to the Santa Cruz Agency, which has substantially longer hours and a larger and more specialized staff.

The testimony of protestants amounted, generally, to an expression of doubt as to whether applicant railroad would live up to promises of its officials, and to an assumption that personnel living

and stationed in Santa Cruz could not be expected to render the same helpful and friendly service as would a local agent.

The gross operating revenue from business performed at Felton during the twelve months ended September 30, 1958 amounted to \$29,427. The movement out of Olympia, a nonagency station, being entirely a carload movement, is much more substantial. The Felton agent has little to do with the carload movement now and his removal will therefore have no substantial effect upon it.

From a consideration of the evidence of record, the Commission finds that by discontinuing the Felton Agency of the Southern Pacific Company its service to the public in this area will not be materially affected. Also, without an agent at Felton there is no further need for a station building at that point.

The Commission finds that public convenience and necessity no longer require that this railroad company maintain the station building or the agency at Felton, because the functions presently constituting the agency service to the public at Felton and at Olympia can be performed just as efficiently and adequately from other nearby points.

The case made by applicant Railway Express Agency, Incorporated, indicates that the gross revenue from the Express Company business amounts to approximately \$280 monthly. There are only about two express shipments made per week from this agency. Without a railroad agent at this point, the only way for this applicant to carry on business there is to either employ a merchant agent on a percentage basis or acquire and maintain its own business office and agent. According to the uncontradicted evidence, it is not feasible

to employ a merchant agent. On the other hand, it would result in excessive monthly losses to attempt to maintain an office and a regularly employed agent. The Commission finds that public convenience and necessity no longer require Railway Express Agency, Incorporated, to maintain agency service in Felton. Railway Express Agency, Incorporated, will consequently be authorized to reduce service at Felton by discontinuing its agency.

O R D E R

Public hearings having been held and the above matters having been duly submitted,

IT IS ORDERED:

1. That Southern Pacific Company and Railway Express Agency, Incorporated, are authorized to discontinue their agencies at Felton, Santa Cruz County, and Southern Pacific Company is authorized to remove its station building therefrom, subject to the following conditions:

- a. Southern Pacific Company shall continue to maintain said station in a Class A nonagency status.
- b. Within ninety days after the effective date hereof, and not less than ten days prior to the discontinuance of the agency at Felton, applicants shall post a notice of such discontinuance at the station, and within ninety days after the effective date hereof and on not less than ten days' notice to the Commission and to the public, applicants shall file, in duplicate, amendments to their tariffs, showing the changes authorized herein, and shall make reference in such notice and tariffs to this decision as authority for the changes. In no event shall the agent be removed or the station abandoned pursuant to this paragraph earlier than the effective date of the tariff filings required hereunder.

c. Within thirty days after discontinuance of service as herein authorized, applicants shall notify this Commission thereof and of compliance with the above conditions.

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

Dated at San Francisco, California, this 5th day of May, 1959.

E. J. Ford
President
W. H. ...
Frederick ...
Commissioners

Commissioner Everett C. McKenna, being necessarily absent, did not participate in the disposition of this proceeding.