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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN PACIFIC COMPANY and RAILWAY)
 EXPRESS AGENCY, INC., for authority)
 to discontinue agency at Hilt, County) Application No. 40827
 of Siskiyou, State of California, and)
 to maintain such station as a Class A)
 nonagency station.)

William Meinhold for applicant.

O P I N I O N

This application was filed on February 11, 1959 in order to obtain the Commission's authorization to discontinue applicants' respective agencies at Hilt, Siskiyou County, California. Railway Express Agency proposes to discontinue service at Hilt entirely and consolidate its business there into its office at Yreka in the same county. Southern Pacific Company proposes to continue Hilt Station as a Class A nonagency station.

A public hearing was held before Examiner John Power at Hilt on April 14, 1959, and the matter was submitted. Prior to this hearing, protests had been filed with the Commission in writing. None of the protestants, however, appeared at the hearing.

Seven witnesses were presented in support of the application. One was a representative of Railway Express Agency. One represented Pacific Motor Trucking Company, a subsidiary of Southern Pacific. The other five were all Southern Pacific employees.

The property on which the station stands was granted to the California-Oregon Railroad in 1866 by Congress. It was acquired by Central Pacific from the California-Oregon in 1870. Southern Pacific's Siskiyou route to the Willamette Valley and Portland was

completed in 1887, and presumably this station was built at that time. In 1927 a shorter route was constructed from Black Butte, California, to Eugene, Oregon, via Klamath Falls.

After 1927 the number of trains passing through Hilt was greatly reduced. In 1952 the last passenger service was terminated. At the time of the hearing, operations consisted of two freight trains each way daily.

The service that will exist at Hilt if this application is granted can be briefly described by category as set forth in the following paragraphs.

Mail is not carried to or from Hilt on railroad equipment. The U. S. post office employs a truck carrier by contract to serve Hilt.

Express service through Railway Express Agency will not be available nearer than Yreka. However, express volume in and out of Hilt in 1958 amounted to fifty-eight parcels. The total revenue earned was \$225. Railway Express Agency has found it impractical, their witness testified, to procure merchant agents unless such agents can earn \$100 per month or more in commissions.

Passenger service is rendered through the Greyhound Lines' bus system. Greyhound honors Southern Pacific tickets between Hilt and Dunsmuir. With the agency eliminated at Hilt, passengers may telephone Hornbrook or Dunsmuir. If time permits, the ticket will be mailed to Hilt. If time is too short, the passenger pays the Greyhound fare to Dunsmuir. He will be credited with this amount on his rail ticket when he picks it up at the latter point.

Less-carload freight shipments will be handled by Southern Pacific's subsidiary, Pacific Motor Trucking Company. This company now operates five days a week in Hilt on an on-call basis. Pacific

Motor Trucking Company's service is of the store-door type. If a consignee is not at his place of business the shipment will be left at Hornbrook and the consignee will be notified by mail. He can make arrangements to pick up the merchandise or have it delivered by calling Hornbrook at Southern Pacific's expense.

Carload freight is almost entirely consigned to or from Hilt's one industry, a large lumber company. This company will be supplied with seals and is now sealing its own cars. A box will be placed at Hilt station for bills of lading. Freight conductors will sign them. Orders for cars and requests for damage inspections can be placed with the Hornbrook agent by toll-free telephone calls. Pacific Motor Transport drivers have authority to sign bills of lading and to make short inspections and damage inspections. All freight billing on the Shasta division is now done at Klamath Falls, Redding and Alturas, and may be further combined.

Southern Pacific's Exhibit No. 11 showed that costs of operating the Hilt station in 1958 amounted to \$6,311. Its research witness estimated that, if the agency at Hilt had been terminated, increased costs at other stations would have amounted to \$400. The net savings would have been \$5,911. In 1958, gross revenue from the transportation associated with Hilt was \$221,630, but \$220,665 of this sum was in payment for carload freight. Only \$965 was earned on all other services combined.

The Commission finds that public convenience and necessity no longer require the maintenance by Southern Pacific Company and Railway Express Agency, Inc., of an agency at Hilt, Siskiyou County, California.

O R D E R

A public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that Southern Pacific Company and Railway Express Agency, Inc., are authorized to discontinue their respective agencies at Hilt, Siskiyou County, subject to the following conditions:

- (a) Southern Pacific Company shall maintain said station in a Class A nonagency status.
- (b) Within ninety days after the effective date hereof and on not less than ten days prior to the discontinuance of the agency at Hilt, Southern Pacific Company and Railway Express Agency, Inc., 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, Southern Pacific Company and Railway Express Agency, Inc., shall file in duplicate amendments to its tariffs showing the change 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 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, Southern Pacific Company and Railway Express Agency, Inc., shall notify this Commission in writing 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 2nd day of May, 1959.

E. Lynn Fox
President

Walter J. ...

Theodore ...

Ernest ...
Commissioners