

Decision No. 58567

ORIGINAL

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 LIVE OAK,)
County of Sutter, State of California,)
and to maintain said station as a)
nonagency.)

Application No. 40748

Randolph Karr, William Meinhold and Harold S. Lentz,
for applicants.
John T. Kenword, for the City of Live Oak,
protestant.

O P I N I O N

By this application filed January 14, 1959, Southern Pacific Company and Railway Express Agency, Inc., request authority to discontinue their agencies at Live Oak, in Sutter County, and for Southern Pacific Company to maintain the station on a nonagency basis.

A public hearing was held in Live Oak on March 26, 1959, before Examiner Rowe, at which time evidence both oral and documentary was adduced and the matter was submitted upon the filing of concurrent briefs within forty-five days, which period has now expired. Applicants have filed a brief and the matter is now ready for decision.

According to the testimony, Live Oak is presently served by a turn-around local freight train which is the only train stopping at this point. Live Oak is not a train order office. Consequently, discontinuance of an agency would have no effect upon the operation of the trains. No passenger trains are operated through this city.

All accounting and billing functions are now said to be handled at Chico. The superintendent of agencies testified that the present agent requires only between one-half and one and one-half hours a day to accomplish his work. This includes Railway Express business and keeping the station building clean. Consequently, he estimates that the work load to be handled at Marysville, if the Live Oak agency is discontinued, would be an hour and one-half during the period walnuts are shipped and thirty minutes during the balance of the year.

Southern Pacific Company gross revenues were said to be \$27,644 during 1958 and the savings to the company by closing the agency are estimated to be \$5,632 annually. The only change in service of less-than-carload freight is stated to be that requests for service will be by toll free telephone calls to the Marysville agency instead of to the local agent. No one appeared to protest the fact that if the agency is closed deliveries and pickups will no longer be handled by depot deliveries in Live Oak, but instead will be made at the station at Gridley 6.3 miles distant. This would be the only real change in the pickup and delivery service of Pacific Motor Trucking Company of less-than-carload freight.

The evidence is uncontradicted that service to carload patrons will be substantially unaffected. The largest railroad shipper at Live Oak, and the only shipper to testify at the hearing, stated his needs would be satisfied by the proposed method of handling the carload business. The testimony of this and the other protesting witness indicated doubt as to whether the railroad company would, in fact, live up to its promises.

The Southern Pacific Company agent at Live Oak also acts as agent for Railway Express Agency. The Express Agency's witness testified that if the agency at Live Oak is discontinued, it will be

necessary for the occasional patrons of this service to pick up and deliver their express packages at Gridley or, if they prefer, at Marysville. Railway Express Agency has shown that without utilization of the Southern Pacific Company agent at Live Oak it is infeasible to employ a merchant agent and that an attempt to maintain its own office with a full-time company agent would result in regular prohibitive losses and would serve public convenience and necessity only in a very small measure. Such showing justifies an order permitting Railway Express Agency to discontinue its agency.

The Commission finds that public convenience and necessity no longer require that either applicant continue its agent at Live Oak. Since the Southern Pacific Company is not proposing to reduce agency service in any way, but will continue to handle freight in carload and less-than-carload lots, it will be required to continue the station in a Class A nonagency status.

O R D E R

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

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

- (a) Southern Pacific Company shall continue to maintain said station in a Class A nonagency status.
- (b) Applicants shall give not less than ten days' notice to the public of discontinuance of agency service by posting notice thereof at the station. In no event shall the agent be removed, pursuant to this paragraph, earlier than the effective date of the tariff filings required under subparagraph (c) hereof.
- (c) Within ninety days after the effective date hereof, applicants, upon not less than ten days' notice to this Commission and to the

public, shall file, in duplicate, amendments to their tariffs showing the changes herein authorized and shall make reference in such tariff amendments to this decision as authority therefor.

- (d) The authorization herein granted shall expire if not exercised within ninety days after the effective date hereof.
- (e) Within thirty days after discontinuance of service as herein authorized, applicants 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 8th day of June, 1959.

E. L. Fox
President

W. L. ...

W. ...

Theodore ...
Commissioners

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