

**ORIGINAL**

Decision No. 59230

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN PACIFIC COMPANY for authority to discontinue agency at Coachella, County of Riverside, State of California, and to maintain said station as a Class A nonagency.

Application No. 40817

James W. O'Brien for applicant.  
Harry B. Cannon for the City of Coachella;  
Owen C. Parry and J. Frederick Rosen  
for Coachella Chamber of Commerce;  
J. Frederick Rosen for self; and  
Harry Carian for Harry Carian Sales;  
protestants.  
Keith H. Ainsworth for Coachella Valley Water  
District, interested party.

O P I N I O N

Southern Pacific Company seeks authority to discontinue the operation of its agency station at Coachella, County of Riverside, and thereafter maintain a nonagency station in said city.

Public hearings were held in Coachella before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

Applicant contends that the business handled at the Coachella station can be conveniently and adequately transacted from and out of its adjacent agency station at Indio which is 3.5 miles distant from the Coachella station, and that discontinuance of the latter agency would be in the general public interest because it

would eliminate an unnecessary operating expense. On the other hand, the protestants, principally growers and shippers of farm products such as vegetables, dates, grapes and grapefruit, take the position that during the shipping season, November to July, the services of a local agent at Coachella are necessary and convenient and that the volume of freight business transacted by applicant at said station justifies the retention of the local agent.

The evidence of record shows, and we find, the facts as herein set forth.

Coachella has a population of approximately 5,000, and is located approximately 130 miles easterly of Los Angeles in the desert agricultural area known as Coachella Valley. It is on the main line of the Southern Pacific Company's railway which runs between Los Angeles and Yuma, Arizona. The principal communities in Coachella Valley on the Southern Pacific railway are, from west to east, Indio, Coachella, Thermal and Mecca. Agency stations are operated at the first three named places.<sup>1/</sup> The rail distances between said points are, between Indio and Coachella 3.5 miles, between Coachella and Thermal 5.1 miles, and between Thermal and Mecca 5.7 miles.

Applicant employs only one person, its agent, at Coachella. He is on duty five days per week for eight hours per day. The record shows that during the peak season said agent is available to shippers practically twenty-four hours per day.

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<sup>1/</sup> On July 13, 1959, applicant Southern Pacific Company applied to this Commission for authority to close its agency station at Thermal (Application No. 41297). The application is pending.

Shippers' witnesses testified that the present agent is very accommodating and renders exceptionally good service which they believe would not be available to them if they were required to deal through the Indio agency. On the other hand, the Indio agency is open twenty-four hours per day, seven days per week. Applicant's staff at the latter station consists of one agent, four telegraphers, fourteen clerks, and one janitor. At all times there are at least two persons, agent and/or clerks, on duty. Applicant's Coachella customers now call or contact the local agent for whatever service they need, and the latter calls the Indio agency and relays the orders or messages. Some of the personal services performed by the local agent consist of taking care of bills of lading, sealing cars, and checking damage complaints. Applicant proposes that telephone calls be made, toll free, directly to the Indio office, and the agent or a clerk or clerks would take care of the orders and messages, and whenever necessary would go to Coachella by automobile, a distance of approximately four miles, and perform the same personal services that are now being performed by the local agent. Due to the short distance the Indio agent or clerk would be required to travel, the time differential would be negligible.

There are twelve westbound and ten eastbound trains daily passing through Coachella, but only one local freight train "works" Coachella in the "off season", and from November to July three trains per day "work" the Coachella area. No change from this schedule is contemplated and no additional personnel will be required at Indio in order to take care of the Coachella business. There will be no change in the present trucking operations now performed by applicant's affiliate, Pacific Motor Trucking Company, as

a result of the proposed agency closing. There is no passenger business at the Coachella station.

The record also shows that although there is no Railway Express Agency station at Coachella, 75 percent of the grape carloads are shipped express from this point, the remainder being shipped by applicant. Coachella shippers requiring the express service now contact the express agent at Indio. There is testimony to the effect that the express service is satisfactory.

The Coachella station gross operating revenue for the years 1957 and 1958 was \$263,885 and \$192,491, respectively, which includes revenues from carload shipments terminating, as well as originating, at Coachella. Division of revenue, if any, with other railroads was not indicated. The estimated expense of handling said traffic, plus cost of maintaining Coachella station, for the year 1958, was \$142,529.

Operating expenses and estimated annual savings if Coachella station is operated as a nonagency station, based on the year 1958, are as follows:

A. Operating Expenses

1. Wages .....	\$6,896
2. Payroll Taxes .....	425
3. Telephone .....	103
4. Electric Current .....	90
5. Water .....	48
6. Heat .....	<u>15</u>
7. Total .....	\$7,577

B. Less Estimated Expenses which would be incurred  
(Auto Mileage and Contingencies) ..... \$ 600

C. Net Estimated Annual Savings  
(Line A-7 less B) ..... \$6,977

Ten shipper witnesses testified in opposition to applicant's proposal. Their testimony shows that the Coachella Valley is an important agricultural area; that population, agriculture, and business have shown marked improvement in said valley and in the City of Coachella; that the local agency is a convenience for them, and that they have been receiving exceptionally good service from the agent.

The evidence also shows that applicant can perform an adequate transportation service for its Coachella shippers and consignees out of its Indio station and save approximately \$7,000 annually. We are satisfied, upon this record, that an adequate and convenient service can be maintained at Coachella through applicant's Indio facilities and that it would not be in the general public interest to require that applicant continue to incur the expense of maintaining an agent at Coachella. In view of the facilities and proximity of the Indio station it appears that the quality of service for applicant's customers at Coachella need not be materially less than that which they have been receiving.

Having reviewed the record, this Commission is of the opinion and finds that public convenience and necessity does not require the maintenance of an agency by applicant at Coachella. Applicant will be required to maintain said station as a Class A non-agency.

O R D E R


A public hearing having been held, the Commission being fully advised in the premises, having found facts as hereinabove set forth, and good cause appearing,


IT IS ORDERED that Southern Pacific Company is authorized to discontinue its agency at Coachella, Riverside County, California, subject to the following conditions:

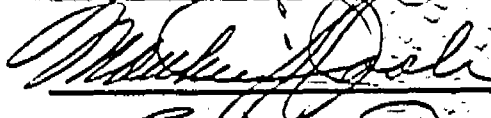
- a. Southern Pacific Company shall maintain a Class A nonagency station at Coachella.
- b. Within ninety days after the effective date hereof, and on not less than ten days' notice to the Commission and to the public, Southern Pacific Company shall post a notice of such discontinuance at the station, shall file in duplicate amendments to its tariffs showing the changes authorized herein, and shall make reference in such notice and tariffs to this decision as authority for the changes.
- c. In no event shall the agent be removed earlier than the effective date of tariff filings required under paragraph b hereof.
- d. Within thirty days after discontinuance of service as herein authorized, Southern Pacific Company shall notify this Commission thereof and of compliance with the above conditions.

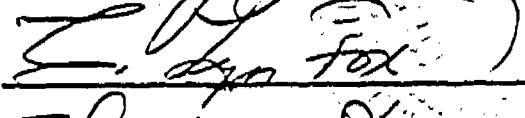
The effective date of this order shall be twenty days after the date hereof.

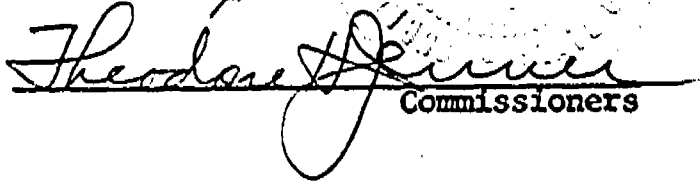
Dated at Los Angeles, California, this 3<sup>rd</sup> day of November, 1959.

  
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 President

  
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