

ORIGINALDecision No. 59382

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SOUTHERN PACIFIC COMPANY for author-)	
ity to discontinue agency at Canby,)	
County of Modoc, State of Califor-)	Application No. 40990
nia, and to maintain said station as)	
a Class A nonagency station.)	

Harold S. Lentz, for applicant.
Charles Lederer and Ross L. Bigler, for
 Loveness Lumber Company and Edgerton
 Lumber Company, protestants.

O P I N I O N

Public hearings were held at Alturas in this proceeding on June 9 and 10, 1959, and the matter was submitted on the latter date subject to the filing of concurrent opening and reply briefs. The last of these have been received and the matter is ready for decision. The applicant seeks authority to discontinue its agency at Canby, Modoc County, and to operate at that point a Class A nonagency station.

The Alturas subdivision of applicant's Shasta division consists principally of a main line track extending from Klamath Falls, Oregon, to Wendel, California, by way of Alturas, California, and a branch line from Alturas to Lakeview, Oregon. Canby is located on the section of track between Klamath Falls and Alturas. The rail distance from Alturas to Canby is 19.4 miles. The next agency beyond Canby is located at Tulelake, 52 rail miles distant from Canby in the direction of Klamath Falls. The distances here given are taken from the applicant's Shasta Division timetable, Exhibit No. 1, herein.

Applicant enjoys a considerable revenue from its Canby station. Nearly all of it is provided by the two lumber companies

which protested the application. The Loveness Lumber Company is operating a sawmill right at the Canby station. From the evidence it would appear that virtually all the lumber shipped by this company went out over Southern Pacific. The total payments for railroad transportation were \$670,000 in 1957, \$607,000 in 1958, and \$187,000 for the first four months of 1959. A substantial amount of this freight is delivered by other railroads, some of it east of Chicago. Thus Southern Pacific's share was substantially less than the figures given. According to applicant's Exhibits Nos. 5 and 6 the gross revenue on carload traffic which originated or terminated at Canby was \$302,158 for the year ended February 28, 1958 and \$290,765 for the year ended February 28, 1959. The Southern Pacific reported only its own revenue, eliminating the "divisions" shared out to other participating railroads.

The Edgerton Lumber Company, the other protestant, mills lumber at a point called Adin. Adin is on U. S. Highway 299 about 19 miles from Canby. It is somewhat closer to Bieber where the Great Northern and the Western Pacific railroads meet. Edgerton's superintendent testified in its behalf. He stated that his company ships from Canby, Bieber, and sometimes by truck from Adin. Traffic shipped by this company from Canby is hauled over from Adin by company trucks and loaded on the Canby team track. The business that Edgerton provides at Canby is quite substantial though much smaller than the Loveness business.

Applicant seems not to have anticipated that the team track (i. e., Edgerton) traffic at Canby would continue. As a result the proposed substitute service was modified on the first day of hearing. The proposal finally arrived at involved using personnel of the Alturas yard office to seal cars at Canby. Other necessary duties such as inspections of dirty cars or damage inspections would be made by the Alturas agency employees.

The two protestants vigorously attacked this modified proposal. They testified to the many conveniences that accrue to them through having an agent at Canby and to specific services rendered them by such agent. These consist principally of obtaining information for them from railroad sources and in the making of timely inspections that result in savings to the shippers.

Against this specific testimony the applicant presented the categorical statements of its division officials to the effect that service would be just as good without an agent. These officials are veteran railroad men whose opinions are entitled to great respect. The fact remains, however, that the opinions were not specific. The expense of loading cars may well increase if the Canby agent is taken away.

In view of the fact that Alturas has only one station employee besides the agent, the scope of the Alturas agent's duties should have been developed. The record is silent on the question of whether or not Alturas now services other stations. If it does, there may be no one available to travel to Canby for needed inspections. The duties of the yard clerks at Alturas were not developed. Since it is proposed to make use of these clerks for certain duties at Canby, this information should be in evidence.

Protestants were also skeptical about any proposal involving use of the telephone between Canby, Adin and Alturas. They testified that trunk lines are few and that telephone service is substandard in this area. Applicant met this testimony by arguing that it was not their (applicant's) fault. This is true, but at the same time it is a fact, uncontradicted in this record, that must be faced.

The Commission is of the opinion and finds that applicant has failed to show that public convenience and necessity no longer require agency service at Canby, Modoc County. The application will be denied.

ORDER

Public hearings having been held and the Commission basing its decision on the findings and conclusions set forth in the foregoing opinion,

IT IS ORDERED:

1. That Application No. 40990 be, and it is, denied.

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

Dated at San Francisco, California, this 15th day of December, 1959.

Greene R. Pease
President

John C. ...

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Theodore J. ...
Commissioners