

Decision No. 59521

**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 )  
NEWCASTLE, County of Placer, State )  
of California, and to maintain said )  
station as a Class A nonagency )  
station. )

Application No. 41081

Randolph Karr, H. S. Lentz and William Meinhold,  
for applicants.  
Ronald G. Cameron, for Newcastle Community Club  
and Bunny Nakagawa; Leonard M. Wickliffe, for  
Railroad Brotherhoods' California Legislative  
Board; and Harvey D. Loder, for Order of  
Railroad Telegraphers; protestants.  
Richard Saladana, in propria persona, interested  
party.

O P I N I O N

By this application Southern Pacific Company and Railway Express Agency, Inc., seek authority to discontinue their joint agency at Newcastle in Placer County and to maintain said station as a nonagency station.

Public hearing of the application was held before Examiner Carter R. Bishop at Auburn on July 16, 1959. With the filing of concurrent briefs on September 16, 1959 the matter was taken under submission.

Six witnesses were presented in support of the application. Four were Southern Pacific employees. The remaining two were representatives of Railway Express Agency and Pacific Motor Trucking Company, respectively.

The Newcastle agency is staffed by a single Southern Pacific employee, who acts also, on a commission basis, as agent for Railway Express Agency. The principal traffic at Newcastle consists

of outbound carload shipments of fresh fruits originating at the packing plants of four large shippers. This movement is largely seasonal, the bulk of the shipments being made in June to September, inclusive.<sup>1</sup> Newcastle is not a train order station, nor is mail handled, nor are passenger tickets sold there. No passenger trains stop at this station.

Southern Pacific less than carload shipments, inbound and outbound, are transported in trucks of Pacific Motor Trucking Company. Pickup and delivery service is accorded these shipments at points within a mile radius of the railroad station. There would be no change in this service under the proposed agency closing, as the drivers are authorized to sign bills of lading and to make collections. Calls for pickups would be made toll free to the Southern Pacific agent at Auburn. Less carload patrons located outside the mile radius, however, would be required to go to the station at Auburn to pick up or tender such shipments. This segment of Newcastle traffic is negligible, since the total revenue Southern Pacific derived from it in the 12-month period ending March 31, 1959, amounted to only \$193.

According to the testimony of Southern Pacific's division superintendent, trainmaster and district freight agent, no inconvenience will be experienced by carload shippers and receivers at Newcastle by discontinuance of the agency. It is proposed that the duties now performed by the Newcastle agent will be carried out by station employees located at Auburn, which is four miles east of Newcastle.<sup>2</sup> Bills of lading will be signed, cars sealed and the yard

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<sup>1</sup> In 1957 and 1958 (a poor year for the growers), 877 and 607 carloads, respectively, of freight were received at, or forwarded from Newcastle. Gross Southern Pacific revenues associated with this station (including the nonagency station of Penryn) for the 12-month periods ending March 31, 1958 and March 31, 1959 were \$219,744 and \$146,215, respectively.

<sup>2</sup> The agent at Newcastle also services the nonagency station of Penryn, located three miles to the west. Thus, under the proposal herein, shippers at the latter point also would be serviced by the Auburn station force.

checked by one of the Auburn employees. The Newcastle shippers will place their car orders by toll-free telephone with the Auburn agent. Assertedly, no inconvenience will be experienced by carload shippers at Newcastle under the proposed arrangement and they will receive the same quality of service as they are now accorded.

The rail operating witnesses anticipated that the additional work which would be imposed upon the station personnel at Auburn by reason of the closing of the Newcastle agency, could be absorbed by the present Auburn staff, without the necessity of hiring any additional help. According to exhibits of record the sought agency elimination would result in a net saving to Southern Pacific of \$8,000 per year.

If the application herein is granted, service of Railway Express Agency will be discontinued at Newcastle and express patrons will be required to pick up and deliver their shipments at Auburn. At the latter point Railway Express Agency maintains a full-time salaried agent. The express revenues derived from the Newcastle business during the 12-month periods ending May 31, 1958 and March 31, 1959, amounted to \$5,300 and \$3,568, respectively. The Agency's division supervisor testified that, on the basis of his experience, it would be impossible to obtain a so-called merchant agent for the relatively small amount of commissions (usually 10 percent of the revenues) which would be received from the Newcastle business. The only alternative, this witness indicated, would be to maintain an exclusive express office with a salaried employee. The salary of such employee, he said, would actually exceed the Newcastle gross revenues of the Agency for the most recent of the 12-month periods for which figures were available.

None of the four carload shippers at Newcastle protested the closing of the agency. The assistant manager of one of the fruit

packing houses testified in support of the proposal. Granting of the application was opposed, however, by the Newcastle Improvement Club, by an individual rancher, and by two railroad-employee labor organizations. Three witnesses testified on behalf of the club: the Placer County supervisor for the second district, the club's immediate past president, and a rancher-member.

The supervisor expressed concern over the repeated closing of stations in the Loomis-Auburn area. The club's past president stated that the club had passed a motion opposing the closing of the station because the members thought that considerable inconvenience would result from such closing, if authorized.

The concern of the two rancher witnesses was clearly directed to the proposed discontinuance of the Railway Express Agency service at Newcastle. Both of these witnesses operate fruit ranches about one mile and six miles, respectively, from the town. They objected to the prospect of having to take their packages of fruit the additional four miles to Auburn for shipment by express. One rancher, it developed, does not make commercial shipments by express; he makes an occasional gift shipment to relatives or friends. The other rancher has, in recent years, built up a substantial fresh-fruit gift-package business, with buyers in all parts of the country. Figures of his express payments which he quoted, however, indicated that he has, in recent years, been gradually replacing Railway Express Agency service with parcel post service for his shipments. Thus, in 1958 he paid \$528 to Railway Express Agency, while his parcel post bill for the same year amounted to \$1,954. In this connection the record discloses that there is a post office at Newcastle.

Upon consideration of all the facts and circumstances of record, the Commission finds that public convenience and necessity do not require that Southern Pacific Company continue its agency at

Newcastle. That carrier proposes to maintain said station as a Class A nonagency station. The following order will so provide.

With reference to express service, the record shows that it is impracticable, in view of the relatively small revenues, for Railway Express Agency to provide either a merchant agent or a salaried agent at Newcastle. While some inconvenience will be experienced by patrons in picking up and delivering their express shipments at Auburn, this requirement does not appear unduly burdensome. As hereinbefore noted, Railway Express Agency's principal shipper at Newcastle has been gradually shifting his patronage from that carrier to parcel post service. The Commission finds that public convenience and necessity no longer require Railway Express Agency, Inc., to maintain an agency at Newcastle.

O R D E R

Based upon the evidence of record and the findings and conclusions set forth in the preceding opinion,

IT IS ORDERED that:

1. Southern Pacific Company and Railway Express Agency, Inc., are authorized to discontinue their respective agencies at Newcastle, Placer 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 respective agencies at Newcastle, 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 pursuant to the authority hereinabove granted 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 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 12<sup>th</sup> day of January, 1960.

Evelyn All Page  
President  
John E. ...  
William ...  
E. ...  
Theodore ...  
Commissioners