MP/NB ORIGINAL Decision No. 59553 BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA In the Matter of the application of THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a corporation, and RAILWAY EXPRESS AGENCY, INC., a corporation, for authority to discontinue agency service at its station at Highland, County of San Bernardino, State of California. Application No. 40841 Robert W. Walker and Henry M. Moffat, by Henry M. Moffat, for applicant.

Halbert E. Alexander, for Highland Community

Service District; Jerry D. Boyd, for Highland Area Chamber of Commerce; James L. Evans for Brotherhood of Locomotive Firemen and Enginemen and San Bernardino County Democratic Central Committee; D. A. Johnson, for Highland Area Chamber of Commerce; Southern California Water Company, by Walter N. Peterson, for Southern California Water Company; and K. A. Vose, for Order of Rail-road Telegraphers, P. E. Brown, Agent; protestants. OPINION By this application, filed on February 13, 1959, The Atchison, Topeka and Santa Fe Railway Company, a corporation, hereinafter referred to as "Santa Fe", and Railway Express Agency, Inc., hereinafter referred to as "Agency", request an order authorizing them to discontinue their agencies at Highland, San Bernardino County, California. A public hearing was held on November 5, 1959, at Highland before Examiner Kent C. Rogers. Prior thereto, notice of the hearing was published and posted as required by this Commission. -1The Highland Station became an agency station about 1900. The present station building was constructed in 1950 or 1951. Freight and express are handled through the station, but no passenger traffic. There is an agent-telegrapher on duty from 8 a.m. to 5 p.m. daily except Saturdays, Sundays and holidays, with one-half hour off for lunch. This agent is also the agent for Agency. The nearest agency stations are at San Bernardino, 7.8 miles west of Highland, and East Highland, 2.5 miles east thereof.

Allegedly the termination of the agency will not affect carload traffic. At present the appropriate documents are given to or prepared by the agent on outbound shipments. If the agent is removed, there will be a locked box on the platform for bills of lading, and cars will be ordered by the shipper from San Bernardino by mail or telephone. On inbound shipments the car will be spotted at the siding and the consignee called by telephone if the shipment is perishable, and a notice will be mailed in any event.

Prior to 1958, many carloads of oranges were shipped from the station. Commencing in 1958 the carload shipments of oranges were routed through another station. There were 186 carloads outbound in 1956, 174 in 1957, and none in 1958. There were 40 carloads of general freight inbound in 1956, 17 in 1957, and 18 in 1958. The gross revenue received from carload shipments originating at or destined to Highland was \$102,274 in 1957, \$8,881 in 1958, and \$33,118 in the first six months of 1959. If the revenue from this traffic is apportioned 50 percent to the origin or destination station other than Highland, the station's portion of the traffic would be one-half of these respective figures. If 50 percent of the local traffic and 75 percent of the interline traffic is apportioned to the

station, the gross carload revenue would be \$73,831 in 1957, \$4,756 in 1958, and \$22,003 for the first six months of 1959.

Less-than-carload traffic will be handled the same as at present. Such traffic is all picked up and delivered by the Santa Fe Transportation Company with trucks operating out of San Bernardino.

There is no passenger service in or out of the Highland Station.

Railway express shipments are all delivered at the station and picked up at the station. There is no delivery service. If the sought relief is granted, shipments will be handled through San Bernardino or East Highland. If a shipment is perishable, the consignee will be advised of arrival by telephone. In addition, notices of arrival at San Bernardino or East Highland will be mailed to the consignee. This traffic could be handled by any one of several common carriers operating through Highland. An average of less than four express shipments per day are handled to or from the Highland Station. The railway's revenue from express traffic amounted to \$603.16 in 1957, \$491.15 in 1958, and \$294.33 for the first six months in 1959.

The gross revenue from all traffic received or forwarded at Highland was \$104,449.67 in 1957, \$10,043.58 in 1958, and \$33,815.14 for the first six months of 1959.

If 50 percent of the freight traffic is credited to the station, plus the entire revenue from the other types of traffic, applicant's gross revenues from the station were \$52,555.79 in 1957, \$5,277.09 in 1958, and \$17,055.67 in the first six months of 1959.

In 1957 the expenses totaled \$7,150.95, in 1958 \$7,293.52, and for the first six months of 1959 they amounted to \$3,291.99. The agent's wages are approximately \$500 per month. The estimated savings per year, if the agency is terminated, are \$7,072.23.

Systemwide, in 1957 the ratio of applicant's station expenses to the system revenues was 6.23 percent, in 1958 6.57 percent, and for the first six months of 1959 6.11 percent. At the Highland Station the ratio of station expenses to revenues was 13.61 percent in 1957, 138.21 percent in 1958, and 19.3 percent for the first six months of 1959. These figures are derived by attributing 50 percent of the freight revenue to the Highland Station, and 100 percent of the other revenues. In each instance, the greatest portion of the revenues was derived from carload traffic which will be handled the same with or without an agent. For example, in 1957, out of \$104,450 of gross revenues, \$102,274 resulted from carload traffic.

No affirmative evidence was presented by the protestants.

The applicant argued that the question here is not whether the applicant operates the station at a profit or a loss, but whether or not the agency can be terminated and the company centimes.

whether or not the agency can be terminated and the company continue to render adequate service, thereby saving the company approximately

\$7,000 per year.

A representative of the Chamber of Commerce pointed out that although the station was operated at a loss in 1958, the revenues very nearly equalled the expenses in the first six months of 1959, and that if business continued to increase the station would soon be operating in the black. An agent should be maintained at Highland, he said, for the benefit of the community. This statement was concurred in by the representative of the Highland Community Service District.

Upon the evidence of record, the Commission is of the opinion and finds that public convenience and necessity no longer require that either applicant maintain an agent at Highland, San Bernardino County, California.

ORDER

A public hearing having been held, the Commission having made the foregoing finding and based on such finding,

IT IS ORDERED that The Atchison, Topeka and Santa Fe
Railway Company and the Railway Express Agency, Inc., are authorized
to discontinue their agencies at Highland, San Bernardino County,
subject to the following conditions:

- a. The Atchison, Topeka and Santa Fe Railway 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 Highland, 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 16 h

day of Annuary, 1960.

President

Theodore Herman

Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.