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Decision No. 59928

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern Pacific Company to discontinue the operation of passenger trains Nos. 73, 74, 250 and 255 between Oakland and San Jose and passenger trains Nos. 90 and 91 between San Francisco and San Jose.	))))))	Application No. 41544

Charles W. Burkett, Jr., for Southern Pacific Company, applicant.
Dion R. Holm, City Attorney, and Robert R. Laughead, Chief Valuation and Rate Engineer, for the City and County of San Francisco, interested parties.
William V. Ellis, for California State Legislative Board, Brotherhood of Locomotive Firemen and Enginemen; James E. Howe, for George W. Ballard, State Representative, for Brotherhood of Railroad Trainmen; E. A. McMillan, for State Legislative Committee, Brotherhood of Railway Clerks; O. K. Prentiss, for Order of Railway Conductors; L. H. Carmichael, for Brotherhood of Railroad Signalmen; and C. M. Gibbens, for the Brotherhood of Railway Carmen of America; protestants.
Harold J. McCarthy, for the Commission staff.

O P I N I O N

On October 2, 1959, applicant Southern Pacific Company filed its application requesting authority to discontinue the operation of passenger trains Nos. 73 and 74, the Oakland section of the Lark, and passenger trains Nos. 250 and 255, the Oakland section of the Coast Daylight, between Oakland and San Jose and the operation of passenger trains Nos. 90 and 91 between San Francisco and San Jose. Public hearings were held before Commissioner Matthew J. Dooley and Examiner Wilson E. Cline in San Francisco on December 2, 1959, and January 6, 1960. After the filing of briefs the matter was taken under submission on January 26, 1960.

Description of Present Service on Trains Nos. 73, 74, 250, 255, 90 and 91 and Proposed Substitute Service

Trains Nos. 73 and 74 are the Oakland to San Jose and San Jose to Oakland segments of the Larks, trains Nos. 75 and 76, and their primary purpose is to provide a connection at San Jose with said Lark trains. The Larks are overnight trains which are operated between San Francisco and Los Angeles. The passenger-carrying equipment of trains Nos. 73 and 74 generally consists of one coach, one sleeping car and one combination sleeping-buffet lounge car. The Coach terminates at San Jose. The sleeping car and lounge car are switched to and from trains Nos. 75 and 76.

Trains Nos. 250 and 255 are the San Jose-Oakland segment of trains Nos. 98 and 99, the Coast Daylights, and provide a connection at San Jose. Two of the three coaches, which generally comprise the passenger equipment of trains Nos. 250 and 255, are switched to and from trains Nos. 98 and 99 at San Jose, and terminate at Los Angeles on the southern run and at Oakland on the northern run.

Applicant, Southern Pacific Company, proposes, in the event this Commission authorizes the discontinuance of trains Nos. 73, 74, 250 and 255, to inaugurate a motor bus service between its Oakland 16th Street depot and the 3rd and Townsend Streets San Francisco depot to connect with trains Nos. 75, 76, 98 and 99, to and from Los Angeles and thus to provide an adequate means for transportation for East Bay passengers.

The schedules of the present and proposed connections with the San Francisco-Los Angeles trains are as follows:

To Los Angeles:	Present	Proposed	Present	Proposed
	Train 74	Bus	Train 250	Bus
Lv Oakland	8:50 PM	8:30 PM	7:35 AM	7:35 AM
Ar San Francisco	--	8:50 PM	--	8:05
		Train 76		Train 98
Lv San Francisco	--	9:00 PM	--	8:15 AM
Ar San Jose	9:50 PM	10:11 PM	8:45 AM	9:06 AM
	Train 76		Train 98	
Lv San Jose	10:23 PM	10:23 PM	9:18 AM	9:18 AM
From Los Angeles:				
	Train 75	Train 75	Train 99	Train 99
Ar San Jose	6:55 AM	6:55 AM	4:53 PM	4:53 PM
	Train 73		Train 255	
Lv San Jose	7:20 AM	7:13 AM	5:10 PM	5:05 PM
Ar San Francisco	--	8:30 AM	--	6:00 PM
		Bus		Bus
Lv San Francisco	--	8:40 AM	--	6:10 PM
Ar Oakland	8:30 AM	9:05 AM	6:10 PM	6:30 PM

Trains Nos. 90 and 91 are primarily mail, express and baggage trains operated with a single passenger coach between San Francisco and Los Angeles. If the discontinuance of trains Nos. 73, 74, 250 and 255 is authorized, applicant proposes to transfer the operation of trains Nos. 90 and 91 from its line between San Francisco and San Jose to its line between Oakland and San Jose in order to transport certain of the mail, express and baggage presently moving on trains Nos. 73, 74, 250 and 255 between Oakland and San Jose. Applicant proposes to carry no passengers on trains Nos. 90 and 91 when operated between Oakland and San Jose.

The schedules of the present trains Nos. 90 and 91 between San Francisco and San Jose and the available connections with trains Nos. 90 and 91 at San Jose from San Francisco in the event the proposed change in operation of trains 90 and 91 is authorized are shown below.

To Los Angeles:	Present Train 90	Available Connection to Train 90 Train 106
Lv San Francisco	12:30 AM	12:30 AM
Lv San Mateo	12:51 AM	1:01 AM
Lv Redwood City	1:05 AM	1:15 AM
Lv Palo Alto	1:14 AM	1:25 AM
Ar San Jose	1:40 AM	2:15 AM
		Train 90
Lv San Jose	2:15 AM	2:15 AM

From Los Angeles:	Present Train 91	Available Connection from Train 91 Train 91
Ar San Jose	3:45 PM	3:45 PM
		Train 149*
Lv San Jose	4:15 PM	3:55 PM
Lv Palo Alto	4:35 PM	4:19 PM
Lv Redwood City	4:43 PM	4:28 PM
Lv San Mateo	4:53 PM	4:43 PM
Lv Burlingame	4:57 PM	4:47 PM
Ar San Francisco	5:25 PM	5:20 PM

* Operates daily except Saturdays, Sundays, and holidays. Available connections on Saturdays, Sundays and Holidays are shown in Exhibit No. 5, p. 26.

The daily average number of revenue passengers using trains Nos. 73, 74, 250, 255, 90 and 91 for the months of August, September and October, 1959, is shown on Exhibits Nos. 6, 7 and 8. The following tabulation set forth in applicant's brief was prepared from these exhibits.

	Aug./59	Sept./59	Oct./59
Train 73	29	29	19
Train 74	22	24	19
Train 250	61	41	27
Train 255	52	37	24
Train 90 (north of San Jose)	*	*	6
Train 91 (north of San Jose)	*	*	11

*Not available

Alternate Service Available

A witness for applicant testified that for the passengers using trains Nos. 73, 74, 250 and 255 at the intermediate stations between Oakland and San Jose daily common carrier service is provided by Peerless Stages at all of the stations listed in applicant's public timetables except Agnew.

Operating Results of Passenger Trains

The following estimates of financial results of operating the trains which are involved in this application are taken from applicant's Exhibits Nos. 9, 10, 11 and 12.

	Trains Nos. 73 and 74	Trains Nos. 250 and 255	Trains Nos. 90 and 91
Estimated Passenger Train Revenues	$ 59,496	$ 51,062	$133,521
Estimated Out-of-Pocket Cost	236,520	197,100	208,050
Estimated Out-of-Pocket Loss	$177,024	$146,038	$ 74,529
Crew Wages and Fuel Alone	$ 66,795	$ 59,495	$ 34,675

Applicant's Exhibit No. 13 shows the estimated savings to be realized from the proposed discontinuance of trains Nos. 73, 74, 250 and 255 between Oakland and San Jose and trains Nos. 90 and 91 between San Francisco and San Jose as follows:

	Savings	Added Costs Incurred	Net Savings Realized
1. Discontinue trains Nos. 73, 74, 250, 255, 90 and 91	$ 642,000		
2. Discontinue through Oakland-Los Angeles passenger cars from trains Nos. 73, 74, 250 and 255 between San Jose and Los Angeles	398,000		
3. Cost to handle additional San Francisco-Los Angeles Passenger cars in trains Nos. 75, 76, 98 and 99		$231,000	
4. Cost to handle headend traffic between Oakland and San Jose		171,000	
5. Cost to handle headend traffic between San Francisco and San Jose		91,000	
6. Oakland-San Francisco Bus Service		28,000	
7. Reduction in Passenger Revenues		3,000	
8. Total	$1,040,000	$524,000	$516,000

In the Commission staff's Exhibit No. 18 the operating results are developed for the Oakland and San Francisco Larks and Daylights and trains Nos. 90 and 91, rather than just for the Oakland-San Jose segments of trains Nos. 73, 74, 250 and 255. However, on page 33 of said Exhibit No. 18 a net savings of $91,400 from the proposed changed operations is developed. The following

tabulation, in form comparable to that of applicant's Exhibit No. 13, shows the Commission staff estimates used in deriving this $91,400 figure.

	Savings	Added Costs Incurred	Net Savings Realized
1. Out-of-Pocket Expense - Discontinuance of Trains	$426,000		
2. Proposed Savings of Through Cars on Trains Nos. 75, 76, 98 and 99 between San Jose-Los Angeles	225,900		
3. Proposed Operation - Add'l. Costs of Operating Passenger Cars on Trains Nos. 75, 76, 98 and 99 between Los Angeles-San Francisco		$136,800	
4. Additional Cost to Handle Headend Cars between Oakland-San Jose		128,600	
5. Additional Costs to Handle Headend Cars between San Francisco-San Jose		49,400	
6. Oakland-San Francisco Bus Service		28,000	
7. Estimated Loss in Oakland-Los Angeles Passenger Revenue		111,400	
8. Total	$651,900	$454,200	$197,700
9. Additional Income Tax Resulting from Reduction of Passenger Loss		$106,000	
10. Net Savings Resulting from Proposed Operations after Income Taxes			$ 91,700

The difference in the estimates of net savings resulting from the proposed operations made by the Commission staff witness and by the applicant's witness arises from several premises.

Applicant's witness concluded that substantially all of the patronage in the East Bay would be retained, in the event applicant's proposal is authorized by the Commission, while the Commission's staff witness concluded there will be a loss of about 25 percent of such patronage using direct through service to Los Angeles, and 10 percent of the chair car passengers who presently transfer at San Jose to make connections with the Lark. Both witnesses predicated their testimony upon judgment rather than factual estimates.

There were no protests to the proposed changes in the operation of the trains herein discussed, from the County of Alameda, the City of Oakland, nor from any other public authority or group. The Railroad Brotherhoods appeared as protestants and in their brief urge that in view of public convenience and necessity for the continuance of passenger train service in California, the Commission should dismiss Application No. 41544 and request that the instant decision be withheld until decision is rendered in Finance Docket No. 20503 presently pending before the Interstate Commerce Commission. Several infrequent users of the passenger train service between Oakland and San Jose testified in support of the continuance of the train service.

The very sparse use made by the public of trains Nos. 90 and 91 does not require the continuance of said trains in the public interest.

CONCLUSION

We find and conclude that there would be a substantial saving to applicant resulting from the granting of the instant application. Moreover, applicant's proposed changes do not involve a substantial abandonment of service, but rather involve changes which appear will produce desirable results. The basic changes set forth in the application in respect to passenger trains Nos. 73, 74, 250 and 255 respectively, involve only the change of the point of departure and point of destination of the Oakland Lark and the so-called Oakland Daylight from Oakland to San Francisco, and passenger convenience will be protected by the applicant providing bus service between said cities for East Bay passengers using said trains. The alternate means of transportation between Oakland and San Jose for persons using trains Nos. 73, 74, 250 and 255 and the substitute means of transportation proposed by applicant are adequate to meet the needs of the public.

The Commission hereby finds that public convenience and necessity no longer require the operation of passenger trains Nos. 73, 74, 250 and 255 between Oakland and San Jose and passenger trains Nos. 90 and 91 between San Francisco and San Jose providing applicant establishes bus service between its Oakland 16th Street depot and the San Francisco depot to connect with trains Nos. 75, 76, 78 and 99 to and from Los Angeles as proposed by applicant and providing applicant transfers the operation of trains Nos. 90 and 91 from its line between San Francisco and San Jose to its line between Oakland and San Jose in order to transport certain of the mail, express and baggage, but no passengers, presently moving on trains Nos. 73, 74, 250 and 255 between Oakland and San Jose, also as proposed by applicant.

The motion to consolidate this application with Case No. 5829 and the motion that this decision be held in abeyance pending the issuance of the decision in Finance Docket No. 20503 now pending before the Interstate Commerce Commission are hereby denied.

O R D E R

Public hearings having been held in the above-entitled matter, the matter having been submitted and 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, the applicant herein, is hereby authorized to discontinue the operations of passenger trains Nos. 73, 74, 250 and 255 between Oakland and San Jose and intermediate points and passenger trains Nos. 90 and 91 between San Francisco and San Jose and intermediate points.

2. Applicant shall cancel, in conformity with the rules of this Commission, the passenger timetables and passenger tariffs applicable to the operation of trains Nos. 73, 74, 250 and 255 between Oakland and San Jose and intermediate points and to the operation of trains Nos. 90 and 91 between San Francisco and San Jose and intermediate points.

3. Applicant shall give not less than ten days' notice to the public of its discontinuance of the passenger train service herein authorized by posting notices in trains Nos. 73, 74, 250, 255, 90 and 91 and in agency stations involved.

4. Applicant shall notify this Commission in writing of the date of its discontinuance of passenger train service as herein authorized within thirty days after the discontinuance of said passenger train service.

5. Immediately upon discontinuance of the passenger train service herein authorized, (1) applicant shall institute the bus service between its Oakland 16th Street depot and the San Francisco depot to connect with trains Nos. 75, 76, 98 and 99 to and from Los Angeles as proposed by applicant and (2) applicant shall transfer the operation of trains Nos. 90 and 91 from its line between San Francisco and San Jose to its line between Oakland and San Jose in order to transport certain of the mail, express and baggage, but no passengers, presently moving on trains Nos. 73, 74, 250 and 255 between Oakland and San Jose, also as proposed by applicant.

6. The authorization herein granted shall expire if not exercised within one year from the date hereof.

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

Dated at San Francisco, California, this 12th day of April, 1960.

President

Commissioners

I dissent. This decision serves the convenience of the carrier not the convenience of the public.
Everett C. Craig
President