

**ORIGINAL**Decision No. 60830

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 Clovis,  
County of Fresno, State of California,  
and to maintain said station as a  
Class "A" non-agency station.

Application No. 42093

Randolph Karr and Harold S. Lentz, for  
applicants.  
Nicholas H. Dubsick, for City of Clovis,  
protestant.

O P I N I O N

By application filed March 30, 1960, Southern Pacific Company and Railway Express Agency, Inc., seek authority to discontinue their respective agencies at Clovis, Fresno County. Southern Pacific proposes to continue Clovis station as a nonagency station.

Public hearing was held before Examiner Carter R. Bishop at Clovis on June 1, 1960. With the filing of a brief by applicants on August 8, 1960, the matter was taken under submission.

Five witnesses were presented in support of the application. Two of these represented Railway Express Agency and Pacific Motor Trucking Company (a wholly owned subsidiary of Southern Pacific), respectively. The remaining three witnesses were Southern Pacific employees.

Clovis is located on the Friant Branch of Southern Pacific, 12 miles from Fresno. Rail carload freight service is provided by

a local freight train which operates out of Fresno daily except Sunday. All less than carload Southern Pacific shipments and all Railway Express Agency shipments from and to Clovis are transported between Fresno and that city on vehicles of Pacific Motor Trucking Company. Clovis is not a ticket agency. Western Union telegraph facilities were recently moved from the railroad station to another location in Clovis.

The station here in issue is manned by a single employee, the agent. He is on duty eight hours per day, five days per week.<sup>1/</sup>

The testimony of Southern Pacific's division superintendent and of its trainmaster shows that the agent at Clovis has, in recent years, been relieved of most of the duties with which he was formerly charged. In 1959 all accounting functions were transferred from the agency at Clovis to the Fresno agency, which acts as a regional accounting office. In addition to routine accounting details other functions involved in the transfer were such things as revision of freight charges, preparation and mailing of freight bills and the keeping of demurrage records. While Clovis is a train order office, only one order has been issued there during the last three years. According to the operating witnesses, the proposed closing of the agency would in nowise affect train operations on the branch.

After closing of the Clovis agency, if authorized, car orders will be placed by shippers with the agent at Fresno. This will involve no toll charges, since Clovis is within the Fresno

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<sup>1/</sup> The agent at Clovis also has under his jurisdiction the non-agency stations Glorietta and Melvin, the latter as to inbound shipments only. The agent also signs bills of lading on shipments originating at Tarpey, another nonagency station, which in all other respects is under the jurisdiction of the agent at Fresno.

telephone exchange. Other inquiries also, such as requests for freight rate information, would be placed directly with Southern Pacific's Fresno office.<sup>2/</sup> Other duties, such as signing bills of lading, which the Clovis agent now performs, would be absorbed by the local train crew. According to the record, the transfer of the Clovis agent's present duties as a Southern Pacific employee can be absorbed by the Fresno office and by the train crew without the necessity of employing additional personnel.

As previously stated, all Southern Pacific less than carload shipments originating or terminating at Clovis are handled in trucks of Pacific Motor Trucking Company. Most of these shipments are picked up or delivered at the premises of patrons. The handling of such shipments would not be affected by the closing of the agency, since the Clovis agent has no duties with respect to them.<sup>3/</sup>

According to exhibits introduced by a Southern Pacific transportation analyst, during the 12-month periods ended December 31, 1958 and December 31, 1959, 269 and 160 carloads, respectively originated and terminated at Clovis, Glorietta and Melvin. Gross revenues accruing to Southern Pacific from these shipments amounted to \$66,501 and \$30,357, respectively. Closing of the agency, the analyst estimated, would result in a net saving of \$5,505 in operating expenses.

If the application herein is granted, service of Railway Express Agency will be discontinued at Clovis and express patrons will be required to pick up and deliver their shipments at Fresno.

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<sup>2/</sup> The office of the Fresno agent, the record shows, is open 24 hours seven days per week, except that for part of the year it is closed on Sundays between the hours of 7 p.m. and 11 p.m.

<sup>3/</sup> It appears from the record that the major portion of those less than carload shipments which are handled through the Clovis station consists of manzanita branches, which accumulate on the station platform and are shipped periodically. Under the proposal herein, this practice would continue, the bills of lading to be placed in a box by the shipper and later picked up with the shipments by the train crew and signed by the conductor.

At the latter point the express company maintains an office with 14 full-time employees.

The Southern Pacific agent at Clovis also acts as agent for the express company on a commission basis. His average monthly compensation as express agent during 1959, reflecting 10 percent of gross express revenues, was \$54.78. According to Railway Express Agency's regional supervisor, this same basis would apply if a merchant commission agent were employed. He had contacted several merchants in Clovis, and none of them were willing to take on the express agency work. Based on the supervisor's past experience he was certain that the anticipated revenues for the future were too small to make practicable the employment of a merchant agent. This witness testified, moreover, that the cost of maintaining a full-time salaried office at Clovis, in the event the rail agency is closed, would equal or exceed the anticipated express revenues.

The City of Clovis, through its city attorney, appeared in opposition to the granting of the application. Additionally, affirmative action was opposed by resolution of the Fresno County Board of Supervisors and by resolution of the Clovis district Chamber of Commerce.

In support of its protest the City produced five witnesses. They were a grower and packer of fruit, an agriculturalist, a dealer in general merchandise, and representatives of a farm machinery manufacturing company and of a mortuary, respectively. The last three businesses mentioned are all located within the rail pickup and delivery limits of Clovis. Accordingly, their less than carload service would not be affected by the proposed agency closing. As to carload freight, the fruit grower has not shipped by rail

before but has acquired a packing house which is located on Southern Pacific's line and planned substantial carload shipments of fresh fruit therefrom during the 1960 season and in future seasons. He was unfamiliar with rail shipping procedures and had expected to rely on the Clovis agent for assistance in those matters.

The implement manufacturer receives one or two carloads of parts per year at Melvin. He also places diversion orders with the Clovis agency on other carload shipments which move from eastern points to Mexico. This shipper mentioned other respects in which said agent has been helpful. The three remaining protestant witnesses do not have carload shipments from or to Clovis. Most of the shipper witnesses were fearful that they would not receive the same high quality of service from the Fresno office that they are presently accorded by the Clovis agent.

Two of the protestant witnesses also testified in their respective capacities as mayor of Clovis and as president of the Clovis District Chamber of Commerce. Such testimony was in support of the above-mentioned resolutions of protest. All of the city's witnesses pointed to the continuing population expansion of the Clovis area as justification for retention of the rail and express agency at that point.

The record is persuasive that, if the application herein is granted, Southern Pacific will be able to provide substantially the same quality of service to its Clovis area patrons as it does under the present circumstances, and that the proposed arrangement will result in substantial savings in operating costs.

With reference to express service, the record shows that it is unfeasible, because of insufficient revenues, for Railway

Express Agency to provide either a merchant commission agent or a salaried agent at Clovis. While some inconvenience will be experienced by patrons in picking up and tendering their express shipments at Fresno, this requirement does not appear unduly burdensome.

Upon consideration of all the facts and circumstances of record, the Commission finds that public convenience and necessity do not require Southern Pacific Company and Railway Express Agency to continue their respective agencies at Clovis. Southern Pacific proposes to maintain said station as a nonagency station for the receipt and delivery of carload and less than carload freight. The following order will so provide.

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 Clovis, Fresno County, subject to the following conditions:

- a. Southern Pacific Company shall maintain said station in a nonagency status for the receipt or delivery of freight in any quantity, carloads or less.
- 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 Clovis, 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, Southern Pacific Company shall file in duplicate, and Railway Express Agency shall file in triplicate, 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 4th day of October, 1960.

[Signature]  
President

[Signature]  
Secretary

[Signature]  
Commissioner

[Signature]  
Commissioner

Theodore Jenner  
Commissioners