

**ORIGINAL**

Decision No. 60867

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 Valley Spring, County of )  
Calaveras, State of California, )  
and to maintain said station as a )  
Class "A" non-agency station. )

Application No. 42398

Randolph Karr and Harold S. Lentz, for  
applicants.  
Robert B. Finnegan and William Russell,  
for Calaveras County Chamber of  
Commerce, protestant.

O P I N I O N

By this application Southern Pacific Company and Railway Express Agency, Inc., seek authority to discontinue their respective agencies at Valley Spring, Calaveras County. Southern Pacific proposes to continue Valley Spring station as a nonagency station.

Public hearing was held before Examiner Carter R. Bishop at San Andress on August 2, 1960.

Valley Spring is located on the Kentucky House Branch of Southern Pacific, 40 miles from Lodi, the main line junction point. Valley Spring is the only agency station on the branch, which extends 13 miles beyond that point to Kentucky House.

Rail carload freight service is provided by a local freight train, which operates out of Lodi daily except Sunday. All less-than-carload shipments are transported from and to Valley Spring on trucks of Pacific Motor Trucking Company, a highway subsidiary of Southern

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Pacific. No tickets are sold at Valley Spring and it is not a train order office.

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.

The testimony of Southern Pacific's division superintendent and of its station supervisor shows that the agency at Valley Spring has, in recent years, been relieved of most of the duties with which it was formerly charged. The superintendent doubted whether there was as much as 1½ hours of work per day for the agent under current operating arrangements. A large part of the work formerly done by said agent is now performed by the station force at Stockton under a centralized accounting and billing plan. In the event that the Valley Spring agency is closed, the work now performed for Southern Pacific by the agent there will be taken over by the local freight crew and by the station force at Lodi, where there is a full-time staff of seven employees. The latter station is open seven days per week, 24 hours per day, except for a short period on Sundays. Assertedly, the work of the Valley Spring agent can be absorbed without the necessity of hiring additional help.

According to the rail line operating witnesses, patrons located in the area now served by the Valley Spring agency, including those located at San Andreas, will be provided with toll-free telephone service to the agency at Lodi, for such purposes as placing orders, securing information on rates and routes, and requesting claims inspections.

As previously stated, all less-than-carload rail shipments originating or terminating at Valley Spring are handled in trucks of Pacific Motor Trucking Company. The closing of the agency would have

no effect on the handling of those less-than-carload shipments which are picked up or delivered by the carrier at the premises of the rail patrons. In order to accommodate those patrons who are located outside the defined pickup and delivery limits and who must tender or receive their shipments at the rail station, Southern Pacific has arranged for such shipments to be tendered or received by patrons at the premises of a local feed company. These premises are located near the Southern Pacific station.

According to exhibits of record, during the 12-month periods ended December 31, 1958, and December 31, 1959, 152 and 125 carload shipments, respectively, originated and terminated at Valley Spring. Gross revenues accruing to applicant from these shipments amounted to \$27,104 and \$16,014, respectively. Applicant Southern Pacific estimates that closing of the agency will result in a net annual saving of \$5,505 in operating expenses.

The Southern Pacific agent also acts as agent for Railway Express Agency on a commission basis. These commissions averaged about \$22 per month during 1958 and 1959. For the first four months of 1960, they averaged less than \$21. The express company's regional supervisor testified that, based on his past experience, it would be impossible to secure a so-called merchant agent to handle the express business, in view of the small amount of traffic involved.

Representatives of three regular shippers testified in support of the proposed agency closing. Granting of the application was opposed by the Calaveras County Chamber of Commerce and by the Calaveras County Board of Supervisors (the latter by resolution). In support of the Chamber's protest the secretary-manager of that organization described several new construction projects for the

county. He stated that the Chamber is interested in encouraging a strong and stable economic climate in Calaveras County. The Chamber, he also testified, hopes that the future will generate more and smaller industry with a view to minimizing the unsettling effect of seasonal operations. The prospective increase in economic activity in the county, the witness indicated, made the continuance of the agency at Valley Spring highly desirable.<sup>1</sup> He read into the record a resolution of the Chamber protesting the proposed station closing.

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 Valley Spring area patrons as it does under the present circumstances, and that the proposed arrangement will result in substantial savings in operating costs. It does not appear, moreover, that the present or future economic welfare of Calaveras County will be adversely affected by the closing of the Valley Spring agency.

With reference to express service, the record shows that it is impracticable, because of insufficient revenues, for Railway Express Agency to provide either a merchant commission agent or a full-time salaried agent at Valley Spring. While some inconvenience will be experienced by patrons in picking up and tendering their express shipments at other express offices in the county, this requirement does not appear unduly burdensome.

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<sup>1</sup> A traffic witness of Southern Pacific, one of whose functions is to promote the location of new industries on his company's lines testified that, based on his experience, the question of whether an agent is, or is not, located at the proposed site of an industry is not important in the minds of the shippers.

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 Valley Spring. 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 Valley Spring, Calaveras 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 Valley Spring, 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 11th day of October, 1960.

[Signature] President  
[Signature]  
[Signature]  
[Signature] Commissioners

Commissioner Evorett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.