

ORIGINAL

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Decision No. _____

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 WEST PALM
SPRINGS, County of Riverside, State
of California, and to maintain said
station as a Class A non-agency
station.

Application No. 41385

Kandolph Karr, E. D. Yeomans and J. W. O'Brien,
attorneys for applicants.

Frank M. Bogert, Mayor, Leonard H. Wolf, Council-
man, Daniel J. Wagner, City Manager, and
J. M. McEadden, resident, all appearing for
the City of Palm Springs; Jimmy Cooper, for
Palm Springs Chamber of Commerce; Harry Paisley,
for Palm Springs Hotel & Apartment Assn., Inc.;
protestants.

E. A. McMillan, for California State Legislative
Committee, Brotherhood of Railway & Steamship
Clerks, Freight Handlers, Express and Station
Employees; Polly Isenagle, and John L. Hughes,
for Tanner Gray Lines; interested parties.

O P I N I O N

Applicants seek authority to discontinue their agencies at
West Palm Springs and, in addition, Southern Pacific Company also
requests authority to eliminate the stops of its passenger trains
Nos. 1, 2, 3 and 4, and thereafter maintain a nonagency station.

The basis for the requests is that the business handled at
said station does not warrant continuance of agency status and that
an adequate service can be provided through the Southern Pacific
Company agency station at Indio and the Railway Express Agency, Inc.,
present office in the City of Palm Springs.^{1/}

^{1/} Decision No. 61729 in Application No. 42878 dated March 28, 1961,
authorized closing of the Railway Express Agency, Inc., office in
the City of Palm Springs and the substitution of highway common
carrier service in place thereof.

A public hearing was held at Palm Springs on February 25 and 26, 1960, before Examiner Mark V. Chiesa. Notices of hearing having been duly published and posted and evidence having been adduced, the matter was submitted for decision. The Commission having considered the matter and being fully advised in the premises, makes its findings of fact and conclusions as hereinafter set forth.

West Palm Springs is a rail point on the main line of the Southern Pacific Company's railway which runs between Los Angeles and Yuma and is situated approximately 10 miles westerly of the center of the City of Palm Springs a short distance off State Route No. 111. There is no industrial, commercial, or residential development in the immediate vicinity of the station. The City of Indio is an important rail point on said rail line and is situated approximately 22 miles easterly of the City of Palm Springs on said State Route No. 111. U.S. Highways Nos. 60-70 and 99 also pass through the City of Indio. The City of Palm Springs is not a rail point and is served from the West Palm Springs station by motor vehicles via Highway No. 111. Several other communities, such as Desert Hot Springs, Cathedral City, Rancho Mirage, Palm Village and Palm Desert, are to some extent served by this station.

Southern Pacific Company's present service for carload and less-carload shipments will not be materially affected by the closing of the agency. Nearly all less-carload shipments are now handled on a "store-door" basis by applicant's truck subsidiary, Pacific Motor Trucking Company, and carload shipments will be handled through contact with the agent at Indio instead of the West Palm Springs agent. Free telephone service and waybill box facilities will be made available, and any necessary personal contacts will be provided through the agent or clerks from the Indio station. Southern

Pacific now employs one agent, one freight-ticket clerk, and a redcap at West Palm Springs. One or more of said employees is at the station between the hours of 7:45 a.m. and 4:30 p.m., and between 10:00 p.m. and 6:00 a.m., five days per week. The Indio station is open 24 hours per day every day and is staffed by 20 employees. Every service available at West Palm Springs would be available from Indio.

Southern Pacific Company's gross operating revenue attributable to the West Palm Springs station for the periods indicated was as follows:

	<u>1957</u>	<u>1958</u>	<u>1959 (11 mos.)</u>
Freight	\$194,588*	\$39,833	\$42,760
Passenger	20,466	20,500	18,594
Miscellaneous	<u>453</u>	<u>179</u>	<u>68</u>
Total	\$215,507	\$60,512	\$61,422

* (Includes nonrecurring shipments of pipe for Metropolitan Water District and shipments for the U.S. Government)

The number of passengers arriving and departing at the West Palm Springs station for the years 1958 and 1959 were as follows:

	<u>1958</u>	<u>1959</u>
Arrivals	5550	5520
Departures	4652	3930

Southern Pacific Company also maintains a ticket office in the City of Palm Springs which is open five days per week during the winter season which runs normally from October through May.

The fare for local transportation from the Indio station to the City of Palm Springs would be, per limousine, \$12.00 instead of the present \$6.00. Limousines accommodate an average of 4 passengers with luggage. Taxi fares would be increased from \$4.50 from West Palm

Springs to \$7.50 from Indio. In most cases, however, said fares are shared. The evidence shows that many passengers are transported to and from the trains by private vehicles.

Express revenue (and the number of shipments handled) at the rail station by applicant Railway Express Agency, Inc., for the years 1957, 1958 and 1959 were as follows:

	<u>1957</u>	<u>1958</u>	<u>1959</u>
No. of Shipments	135	129	71
Revenue	\$1,389.45	\$1,190.81	\$333.33

No change in the handling of mail for the Palm Springs area is contemplated as Pacific Motor Trucking Company now moves this freight.

West Palm Springs agency operating expense for the past three years was as follows:

	<u>1957</u>	<u>1958</u>	<u>1959 (11 mos.)</u>
Wages	\$18,795	\$21,442	\$20,110
Payroll Taxes	1,167	1,321	1,239
Telephone	401	410	1,079
Electric Current	387	392	250
Heat	77	75	58
Misc. Supplies	94	107	101
Stationery	84	99	106
Total	\$21,005	\$23,846	\$22,943

Based on the years 1957 and 1958 (considered to be normal years), the average estimated annual saving resulting from agency discontinuance is approximately \$16,233 (Exhibit No. 11 as supplemented by testimony of witness Robert G. Rodell).

Eight witnesses testified in opposition to the proposed discontinuance of agency service and the elimination of train stops at the West Palm Springs station. Four were city officials, two represented local business organizations, one spoke for the Chamber of Commerce and one operated a leading hotel. It is apparent from the

record that said witnesses reflect the views of practically the entire city. It was the contention that Palm Springs, being one of the principal winter resorts of the country which has been advertised extensively as such throughout the world, should not be deprived of its West Palm Springs station; that said station is more conveniently located and accessible than the Indio station; that the northern area of the city is developing steadily in residential and hotel facilities; that the distance and traffic congestion along State Highway No. 111 between Indio and Palm Springs will result in unnecessary delays and inconvenience; and that the cost of local transportation between Indio and Palm Springs will be materially higher than the present fare. Further, it was shown that the communities and residents located north of said station would be further inconvenienced by having to drive ten miles farther to Palm Springs in order to transact business with applicants' agents.

The record is clear that Palm Springs is an important tourist center which each season is visited by thousands of persons using rail transportation, and that the West Palm Springs station, by reason of the location and past usage, is the most practical and convenient for them, and that said station is also more convenient for that portion of the public located northerly of said station.

The question as to whether or not a station should be closed as an agency station is primarily a question of public convenience and necessity, and, in connection therewith, the financial results of the operation of the agency should be considered but are not controlling. It is our opinion that the carrier should not be permitted to discontinue a station agency if the public cannot be otherwise adequately and conveniently served. We find and conclude from the evidence of record that Southern Pacific Company and Railway Express Agency, Inc., should continue to provide their present respective

services at West Palm Springs and that public convenience and necessity so require.


O R D E R


A public hearing having been held, the Commission being fully advised in the premises, and having found facts and concluded as hereinabove set forth,

IT IS ORDERED that Application No. 41385 be, and it hereby is, denied.

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

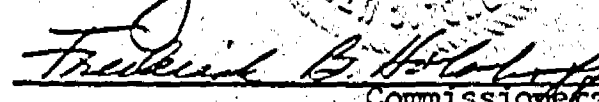
Dated at San Francisco, California, this
9th day of MAY, 1961.



President








Commissioners