

ORIGINALDecision No. 62633

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 UNION PACIFIC RAILROAD COMPANY, a
 corporation, and RAILWAY EXPRESS
 AGENCY, INC., a corporation, for
 authority to discontinue agency
 service at Montebello station,
 Los Angeles County, State of Cal-
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Application No. 43384
 (Filed May 9, 1961)

Marshall V. Vorkink for applicants.
Lyle W. Alberg for City of Montebello, and
Albert S. Herrera for the Order of
 Railroad Telegraphers, protestants.
Lloyd C. Young for the Commission's staff.

O P I N I O N

Applicants request authority to discontinue their respective agency stations in the city of Montebello, Los Angeles County. A public hearing was held on July 27, 1960, at Montebello before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

Notice of intention to close said station was posted at the station in February of 1961, and notice of hearing was duly posted and published. Principal shippers and receivers of freight who would be affected by the proposed closing were also given notice of the hearing. The protestants appearing at the hearing were the city of Montebello and the Order of Railroad Telegraphers.

Upon the evidence of record the Commission makes the following findings and conclusions:

The Montebello station is a joint station of both applicants and is located on the main line of the Union Pacific Railroad Company approximately 9 miles east of Los Angeles Union Station. In February of 1960 applicant railroad completed and placed in operation a modern, fully equipped and staffed, freight station at East Los Angeles, situated a distance of 2.7 miles from the Montebello station. Said station was constructed at a cost of approximately three million dollars, is staffed by 70 employees capable of handling any freight traffic originating at or destined to the Montebello station. Montebello is within the area served by the East Los Angeles station.

The nearest agency station east of Montebello is located at Pico, a distance of 1.8 miles.

Railway Express Agency business at the Montebello station is now handled by the agent. Pickup and delivery is performed by vehicles operating out of the Railway Express Agency Los Angeles terminal located at 357 Aliso Street which is approximately 8.5 miles from the Montebello station. Upon discontinuance of said agency express shipments in the Montebello area would be handled by the Los Angeles terminal agency. Express shipments could also be handled at the Union Pacific Railroad Company station at East Los Angeles and at the Pico station, a distance of 2.7 and 1.8 miles, respectively, from Montebello.

Applicants contend that the public will continue to be adequately and conveniently served from and at the East Los Angeles terminal and Pico stations of the railroad and the Los Angeles terminal of the Railway Express Agency, and that the discontinuance of the Montebello station agencies will reduce operating expense.

Applicant railroad employs one person, the agent, at Montebello. This station is open between 7 A.M. and 4 P.M., 5 days per week. It is proposed that his work will be performed by employees of the East Los Angeles station which is open 7 days per week from 8 A.M. to 11 P.M. The work performed by the agent, such as inspections and taking care of complaints, routing instructions, and bills of lading, will be taken over by "industry clerks" who will call on the shippers or consignees at their places of business. The necessary bookkeeping or paper work will be done by personnel at the East Los Angeles station. Passenger tickets are sold at the East Los Angeles depot. Rate information will be available from rate clerks. No change is proposed in rail car service. Less-carload shipments will be handled by truck store-door pickup and delivery or at the new facility. No passenger trains stop at Montebello.

Gross railroad revenue from all sources at Montebello station for the years 1958 to 1960, inclusive, is as follows (Exhibits Nos. 1 and 6):

	<u>1958</u>	<u>1959</u>	<u>1960</u>
* Freight			
Carload Received	\$ 190,388	\$ 261,556	\$ 209,946
" Forwarded	5,292	2,472	6,088
L.C.L. Received	39,854	18,861	2,786
" Forwarded	3,394	2,063	1,199
Passenger Ticket Sales	828	575	840
** Express	3,199	3,571	1,929
Demurrage & Misc.	367	1,385	648
Total Gross Revenue	\$ 243,322	\$ 290,483	\$ 223,436

* Before division of freight revenue between stations, both of which are on Union Pacific Railroad, and with other railroads.

** Union Pacific Railroad Company's percentage of gross express receipts.

Railway Express Agency, Inc., gross revenue for 1960 was \$6,674.66, an average of \$556 per month (Exhibit No. 9). Of said amount 30 percent is paid to the Union Pacific Railroad Company and 10 percent to the agent.

Union Pacific Railroad Company's average annual out-of-pocket station expense, for said three years, was \$6,631 (Exhibit No. 7), which is the approximate anticipated savings. The average annual net railway operating income attributable to the Montebello station for the years 1958 through 1960 was \$46,761.

The position taken by the city of Montebello is that the proposed closing is not in the public interest and that it would inconvenience rail shippers or consignees and that it is not justified. The Order of Railroad Telegraphers was concerned with the elimination of the agent's job. The employee, due to his seniority, will be retained at some other location.

Having carefully considered the record, we find that the evidence clearly discloses that the general public using the said services will have at its disposal more and superior service from applicants' new facility located just 2.7 miles distant from the present station. We also find that the proposed service of the Express Company will be adequate and convenient. The application will be granted.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and finding that public convenience and necessity does not require the maintenance of applicants' respective agencies at Montebello,

IT IS ORDERED that Union Pacific Railroad Company and Railway Express Agency, Inc., be, and they hereby are, authorized to discontinue their agencies at Montebello, subject to the following conditions:

- a. That Union Pacific Railroad Company shall maintain said station as a nonagency station at which freight in any quantity, carload or less, will be handled.
- b. That within ninety days after the effective date hereof and on not less than ten days prior to the discontinuance of the agencies at Montebello, Union Pacific Railroad Company and Railway Express Agency, Inc., 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, Union Pacific Railroad Company and Railway Express Agency, Inc., shall file in

duplicate amendments to their tariffs showing the change 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. That within thirty days after discontinuance of service as herein authorized, Union Pacific Railroad Company and Railway Express Agency, Inc., 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 3rd day of OCTOBER, 1961.

 President
E. J. [Signature]

George A. Trover

Frederick B. Holbrook

 Commissioners

Everett C. McKeage
Commissioner ~~S. Peter E. Mitchell~~, being necessarily absent, did not participate in the disposition of this proceeding.