

**ORIGINAL**Decision No. 72758

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SOUTHERN PACIFIC COMPANY for authority )  
 to relocate certain facilities, to )  
 discontinue and abandon existing )  
 buildings, platforms and other facil- )  
 ities and to discontinue passenger )  
 service at Richmond, Milepost 15.0, )  
 Contra Costa County, California. )

Application No. 47988  
 (Filed October 21, 1965)

Harold S. Lentz, for Southern Pacific Company,  
 applicant.

John N. Angelo and Cyril Wood, for Brotherhood of  
 Railway Clerks, 802, protestant.

Warren P. Marsden and Thomas Jackson, for San  
 Francisco Bay Area Rapid Transit District.

James P. O'Drain, for the City of Richmond and  
Erwin Farley, for the Redevelopment Agency  
 of the City of Richmond, interested parties.

Kenneth G. Soderlund, for the Commission staff.

OPINION ON REHEARING

Southern Pacific Company seeks authorization to:

1. Discontinue passenger agency services at Richmond,  
 California.
2. Discontinue stopping passenger trains at this point.
3. Remove its team track facilities and freight buildings  
 now adjacent to the passenger station to a new location.

After hearing, the Commission by Decision No. 70982, on  
 July 19, 1966, denied the first two requests and authorized the  
 removal of the team track facilities.

Rehearing having been granted on September 6, 1966, it was  
 held before Examiner Power at Richmond on November 9, 1966. The  
 matter was submitted subject to the filing of briefs. The last of  
 these were received on January 27, 1967 and the matter is ready for  
 decision.

The Southern Pacific Company owns a triangular lot in Richmond on which the team track freight and passenger facilities are located. If this application is granted it proposes to sell this lot to the Bay Area Rapid Transit District, hereinafter referred to as BART. BART will include the property in a station complex which it plans to erect on a site directly across the tracks to the east from the present Southern Pacific facility. At this point the BART tracks will be just east of, and adjacent to, the Southern Pacific tracks.

Of the three ultimate issues in the original application, the one respecting removal of the team tracks may now be considered not an issue. No one, at the rehearing revealed any objection to that proposal. We are, therefore, concerned only with the two passenger station issues.

At the outset, it may be observed that this station serves about 150,000 people. (Tr. 136.)

We will first consider the station stop issue. The Southern Pacific proposes to remove its station platform and other passenger facilities from Richmond and discontinue stopping trains there.

As a substitute it proposes to provide taxicab service from Richmond to Berkeley for those who need it. Such persons would have to appear at the vicinity of the present station thirty minutes before train time. (Tr. 29.) Berkeley train time is ten minutes earlier than Richmond time. Thus, each outbound journey would be extended by at least 40 minutes.

On inbound journeys the train will pass by Richmond and carry the passengers on to Berkeley. Southern Pacific will then

provide taxi service back to Richmond; presumably to the present station site. Obviously this is a service decidedly inferior to that presently available.

In partial justification of its proposal Southern Pacific put into evidence two passenger on- and off-studies. Exhibit No. 2 introduced at the hearing covered the week of January 25-31, 1966, inclusive. Exhibit No. 7 presented at the rehearing covers the week of October 24-30, 1966, inclusive.

The selection of test periods lessens the weight of these exhibits because the record shows passenger movements were not heavy then. Furthermore, a two-week sampling may not even be representative of minimum usage. Together they reveal that in the two weeks 155 persons boarded trains at Richmond and 143 persons got off, a total of 298 on and off. Since there are three trains each way, each day, the two samples involved 84 trains in all. The average on or off per train was 3.55; per day, 21.3. We reiterate that these samplings are too limited in time to enable the Commission to draw meaningful conclusions therefrom. There is some indication in the record that the use of the station is greater than the samples indicate. How much greater cannot be determined.

The City Attorney of Richmond suggested to BART's engineering witness the possibility of some type of replacement facility that would take care of Southern Pacific passengers. By his answers to the city attorney and others at Transcript pages 118 to 123, it became apparent that BART planning was confined to a tentative plan covering the situation which would exist if this application were granted and had not considered other solutions.

The Executive Director of the Richmond Redevelopment Agency testified that the Redevelopment Agency, along with financial

assistance from the Federal Government, the City of Richmond and other local governmental agencies, is now embarking on a complete redevelopment program for the central business district of the City of Richmond, which totals an expenditure of some \$21,000,000 of public monies to rehabilitate the central commercial center. He testified that an integrated passenger facility would be a desirable link between the redeveloped downtown area and the Civic Center.

The Planning Director of the City of Richmond testified regarding that city's position. The city favored removal of the team tracks. It wanted the trains to continue to stop. Both this witness and the redevelopment witness favor replacement of the passenger station on esthetic grounds. The Southern Pacific buildings are very old and to some extent not pleasing in their appearance.

Besides the train stop the other major issue in this proceeding is the question of closing down the Richmond ticket office.

In support of this request Southern Pacific introduced four exhibits at the hearing but none specifically on this point at the rehearing. Exhibit No. 3 stated volume in physical units; Exhibit No. 4 gave revenues; Exhibit No. 5, operating expenses, and Exhibit No. 6, estimated annual savings. They were introduced through a transportation analyst of the railroad's Bureau of Transportation Research.

Exhibit No. 6 represents the final statement of the results of the figures developed in Exhibits Nos. 3, 4 and 5. The witness added station expense of \$21,145 to train stop expense of \$4,205 to get his gross savings of \$25,350. He obtained his added expense resulting from closing the ticket office by estimating \$7,665 for

taxi service (1 taxi per train), \$2,330 for telephone expense and \$355 for contingencies. The telephone expense is for an "Enterprise" number which Southern Pacific proposes to extend to the Richmond area for communication with the ticket reservation office in San Francisco.

The witness ended up with savings of \$15,000. It will be noted at once that Exhibit No. 6 was introduced on both passenger issues. Both the "train stop expense" and "estimated taxi service" are assignable to the question of stopping trains. Thus, we learn from the face of the exhibit that the claimed saving on abolishment of the ticket agency if separately stated would be \$21,145 minus \$2,685 or \$18,460. We also note that elimination of the station stop will cost Southern Pacific \$7,665 minus \$4,205 or \$3,460.

The station expense included a figure of \$19,447 (Exhibit No. 5) in station labor for 1965. The record shows (Tr. 44 and 51) that this figure includes a substantial amount of overtime pay. Just how much was never reported. In the Commission's view overtime pay reflects a temporary situation, and, in a case of this kind is not properly included. Thus, the station labor cost is, for the purposes of this proceeding, overstated. In determining justification for withdrawal of a service, temporary factors should not be considered.

Exhibit No. 4 developed the revenue attributable to Richmond station. The 1965 figure of \$74,164 included interline ticket revenue of \$35,664. This appears to have included only Southern Pacific's share in the revenues from the tickets sold, the shares of connecting lines having been eliminated (Tr. 45, 63-64, 69-70).

In our opinion this deduction is improper. It must be borne in mind that this is a case in which the applicant seeks to

eliminate a service now being rendered. To establish its case the applicant must show that to continue rendering the service, will impose a burden upon it out of proportion to the benefit now being received by a portion of the public.

When Southern Pacific sells an interline ticket it receives only a portion of the revenue. Certain portions accrue to the other lines that provide parts of the transportation service to the passenger. Therefore, the Southern Pacific's direct benefit is confined to its portion. However, at the same time other lines are selling tickets, a portion of the revenue from which accrues to Southern Pacific. The efforts of Southern Pacific's ticket selling staff serve as compensation for the efforts of the similar staffs of the off-line railroads. Thus, Southern Pacific does receive indirect benefit. Since on a majority of sales the originating agent does most, and on some sales all, of the work it is reasonable to allocate all of the interline revenue to the originating station.

There was testimony respecting the increased expense that would result to BART. BART presented an engineering witness who used a figure of \$354,000. An examination of this witness' testimony, particularly that appearing on pages 117-129 of the transcript, reveals that all the estimates made are tentative--that BART's plans are not final. The figure of \$354,000 is based on an assumption that Pacific Motor Trucking Company, applicant's truck subsidiary, will continue to use the freight station as an LCL terminal (Tr. 119). However, applicant already has authority (under Decision No. 70982) to move its freight buildings and team tracks. The evidence herein does not permit of a finding stating the amount that BART will have to pay out if Decision No. 70982 is affirmed.

The Southern Pacific Company has not presented evidence of sufficient cogency to justify the Commission in reversing its conclusions reached in Decision No. 70982.

On the issue of stopping or not stopping passenger trains at Richmond the Commission finds that:

1. Applicant has not shown that the public does not make substantial use of Richmond Station at this time.
2. Applicant has not shown that the proposed substituted service would be adequate and usable by persons using Richmond Station.
3. The substituted service will extend each outbound journey by not less than 40 minutes.
4. The cost of the substituted service proposed by applicant will exceed the cost of stopping trains at Richmond.
5. Public convenience and necessity require the continuance of the train stop at Richmond.

On the issue of continuance or noncontinuance of the passenger ticket office at Richmond the Commission finds that:

1. Southern Pacific Company has understated the revenue attributable to its agency at Richmond.
2. Southern Pacific Company has included temporary costs in its estimate of expenses at the Richmond agency.
3. The Richmond agency performs a useful and convenient service for inhabitants of the Richmond area, approximately 150,000 in number.
4. The substitute services offered in the event that the Richmond ticket office is discontinued are not as convenient as the present services offered by the Richmond ticket office.

5. Applicant has not demonstrated that intrastate, interstate and foreign commerce will be unduly burdened by continuance of the Richmond ticket office.

6. It cannot be determined from this record what the exact impact of discontinuance or continuance of the Richmond agency would be upon the transportation business of applicant.

7. It is impossible to determine, on the record made, by what amount, if any, the costs of Bay Area Rapid Transit District will be increased by an affirmance of Decision No. 70982.

On the issue of removal of the freight buildings and team tracks from their present location in Richmond the Commission finds that:

1. The Florida Street location will be equally as convenient and accessible to users of Southern Pacific team track services in Richmond, as the facilities now available.

2. The substitutes that applicant proposes to make available for its present freight buildings at Richmond Station will adequately serve this purpose.

The Commission concludes that:

1. The request of Southern Pacific Company to discontinue stopping passenger trains at Richmond should be denied.

2. The request of Southern Pacific Company to discontinue its Richmond passenger agency and ticket office should be denied.

3. The request to remove team tracks and freight buildings to a new location should be granted.

ORDER ON REHEARING

IT IS ORDERED that:

1. Application No. 47988 insofar as it concerns a request for authorization to discontinue the stopping of passenger trains in Richmond is denied.



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2. Application No. 47988 insofar as it concerns a request for authorization to discontinue the passenger agency and ticket office in Richmond is denied.

3. Application No. 47988 insofar as it concerns a request for authorization of the relocation of Southern Pacific Company's team track and other freight services and buildings is granted.

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

Dated at San Francisco, California, this 18<sup>th</sup> day of JULY, 1967.

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