

ORIGINALDecision No. 73944

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SANTA FE TRANSPORTATION COMPANY, a California corporation, for revocation of operating authority.)

Application No. 49899
Filed December 22, 1967

INTERIM OPINION AND ORDER

Santa Fe Transportation Company conducts a passenger stage corporation service between Los Angeles, Pasadena, and Bakersfield, and intermediate points. The service is restricted to passengers who have a prior or a subsequent movement via railroad beyond Los Angeles or Bakersfield. It here seeks authority to discontinue operations and requests the Commission to revoke all of its operative authority. Applicant had made application to the Interstate Commerce Commission for similar authority with respect to its interstate operations. Applicant's interstate operating authority to serve California points was revoked, to become effective on April 28, 1968, pursuant to order of the Interstate Commerce Commission issued February 27, 1968.

Santa Fe Transportation Company, hereinafter called Transportation, is a subsidiary of The Atchison, Topeka and Santa Fe Railway Company, hereinafter called AT&SF. The passenger stage authority was granted to Transportation many years ago when both AT&SF and Southern Pacific Company, hereinafter called SP, operated considerable passenger train service between Los Angeles and points in the San Joaquin Valley. The AT&SF line between Los Angeles and Mojave and thence to Bakersfield is via San Bernardino and Barstow

and is circuitous compared to the SP line between Los Angeles and Bakersfield via Palmdale and Mojave. It was believed by AT&SF that bus service between Los Angeles and Bakersfield, which would cut the circuitous routing, coupled with trains between Bakersfield and Oakland, would provide a faster passenger service which would be more competitive with the service provided by SP. The lesser time involved in transporting passengers by bus between Bakersfield and Los Angeles also enabled AT&SF to provide better "meets" or connecting service with its southbound and eastbound trains. Over the years the fast passenger train service provided by AT&SF and SP has dwindled away. The only passenger service provided by Transportation, at the present time, is in connection with SP Trains Nos. 51 and 52 (San Joaquin Daylight). This service was required by the Commission in AT&SF Ry Co., So. Pac. Co., et al., 64 Cal. P.U.C. 114, 126, wherein Transportation was authorized to discontinue connecting bus service for AT&SF Golden Gate Trains Nos. 60 and 63, which trains were to be discontinued. In that decision, the Commission stated:

"It is more than likely that by utilizing a connecting bus service between Bakersfield and Los Angeles and by diverting some, or all, of the head-end business to truck service, applicants herein through a joint effort could make the San Joaquin Daylight trains more attractive to the traveling public and a more suitable replacement for the Golden Gate trains."

The application herein states that during the 12 months ended November 30, 1967, Transportation carried a daily average of about six intrastate passengers on its schedule from Los Angeles and Pasadena to SP Train No. 51 at Bakersfield, and in the reverse direction carried a daily average of seven intrastate passengers from SP Train No. 52 at Bakersfield. Applicant asserts that even these figures are overstated because during December of 1966, and

January and March of 1967, very late arrivals of SP Train No. 52 at Bakersfield or nonoperation of the trains between Bakersfield and Los Angeles, due to nonrecurring railroad operating problems, resulted in many or all of the train passengers transferring to bus. The application states that Transportation's revenue per passenger varies but the maximum is \$4.14, resulting in daily revenues of about \$50 as compared with out-of-pocket costs of over \$175 daily. The data is fully supported by exhibits appended to the application setting forth the number of passengers transported each month and the annual direct cost of performing connecting bus service.

A copy of the application was served upon officials of all cities and counties affected thereby. Notice of the filing of the application appeared on the Commission's Daily Calendar. The only protest received is in a letter (hereby made a part of the record) dated March 13, 1968 from the Brotherhood of Railroad Trainmen. The letter states that the operators of Transportation's buses are members of that organization and will be adversely affected by a total discontinuance of operation by Transportation. It requests that public hearing be held. We have considered the assertions made by the Brotherhood. Transportation has only one northbound schedule and one southbound schedule daily. The question presented is whether it would be reasonable to require Transportation (or its parent AT&SF) to incur a direct out-of-pocket loss of between \$60 and \$65 for each trip for the purpose of assuring the continued employment of two or three bus operators and so that six or seven passengers can leave on their journey from Los Angeles one and one-half hours later than the departure of the train, or that six or seven passengers can arrive in Los Angeles one and one-half hours before the scheduled arrival of the train. Considering the fact

that the trains involved are those of SP and not AT&SF, we are of the opinion and find that it would not be a reasonable requirement.

The Commission heretofore has held that the dismissal of employees in situations involving the consolidation, merger or abandonment of public utility operations is a vital part of the public interest. It has also held that reasonable provision may be made for the protection of applicant's employees with respect to providing other employment or dismissal benefits. The alleged adverse effect of the proposed discontinuance of operations upon applicant's employees and the protection of such employees as a vital part of the public interest is the only issue that has been raised. Past decisions hold that this is a proper issue in these matters; however, protection of applicant's employees does not require the continuance of operations by applicant pending determination of that issue.

We conclude that pending consideration of the effect of the discontinuance of operations by applicant upon its employees and whether provision for the protection of said employees is required by the public interest, applicant should be authorized to suspend operations, not earlier than April 28, 1968, between Los Angeles and Pasadena, on the one hand, and Bakersfield, on the other hand. We further conclude that the parties should have reasonable opportunity to negotiate, if they so desire, for dismissal benefits or employment in other capacities as may be appropriate under the circumstances. We further conclude that the Commission should retain jurisdiction in this matter for the purpose of prescribing provisions for the protection of applicant's employees in the event that the parties do not arrive at reasonable protection provisions from negotiations; therefore,

IT IS ORDERED that:

1. Hearing shall be held for the purpose of determining:
 - a. Whether the effect of proposed discontinuance of operations by applicant upon applicant's employees adversely affects the public interest.
 - b. What provisions, if any, for the protection of applicant's employees are necessary to safeguard the interest of the public.

2. Such hearing is deferred in order to provide the parties affected the opportunity to negotiate, if they so desire, with respect to provisions for the protection of applicant's employees.

3. Santa Fe Transportation Company shall file with the Commission, on May 6, 1968, and on the first Monday of each month thereafter, a report of the negotiations had with respect to providing protection for its employees and setting forth the names of the parties with whom negotiations were had, any agreements reached as a result of such negotiations, and an estimate of whether any further negotiations may result in agreement among the parties affected thereby.

4. Santa Fe Transportation Company is authorized to suspend, not earlier than five days after the effective date of this order, on not less than five days' notice to the Commission and to the public, bus operations between Pasadena, Los Angeles, and Southern Pacific Trains Nos. 51 and 52 at Bakersfield, and intermediate points.

5. Santa Fe Transportation Company is hereby authorized and directed to amend its schedules and tariffs on file with the Commission to indicate that its operative right described in Application No. 49899 is under suspension pursuant to order of the Commission.

6. Tariff publications authorized and directed to be made as a result of the order herein shall be made effective not earlier than five days and not later than sixty days after the effective date of this order on not less than five days' notice to the Commission and to the public.

The effective date of this order shall be April 23, 1968.

Dated at San Francisco, California, this 2nd day
of APRIL, 1968.

Edwin E. Mitchell
President

William H. Bennett

Augustus

William J. ...

Fred P. Morossey
Commissioners