

ORIGINAL

Decision No. 77825

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
NORTHWESTERN PACIFIC RAILROAD COMPANY)
and SOUTHERN PACIFIC TRANSPORTATION)
COMPANY for authority to discontinue)
agency and to remove station building)
and appurtenances from public service)
at Schellville County of Sonoma,)
State of California.)

Application No. 51983
(Filed June 22, 1970;
amended July 1, 1970)

Harold S. Lentz, for Northwestern
Pacific Railroad Company and
Southern Pacific Transportation
Company, applicants.

Charles H. Purkiss, for Brotherhood
of Railway and Airline Clerks, and
Paul C. Jess, for Sonoma Valley
Chamber of Commerce, protestants.

Stephen Wong, Jr., for the Commission
staff.

O P I N I O N

Northwestern Pacific Railroad Company (NWP) and Southern Pacific Transportation Company (SP) seek authority to discontinue an agency station at Schellville, California. Public hearing was held before Examiner Robert Barnett on August 6, 1970 at Sonoma. NWP is a wholly owned subsidiary of the SP and the railroad witnesses appeared for both companies.

The evidence of the railroads shows that the Schellville agency station is presently open from 8 a.m. to 12 noon and from 1 p.m. to 5 p.m. five days a week. Recently the Schellville agent was observed at work: The agent did only 30 minutes of railroad work during the whole day, all of which was by phone. The railroad maintains an agency station at Petaluma approximately 17 miles from Sonoma which is open 24 hours a day seven days a week. Most railroad business in the Sonoma Valley area is conducted through the Petaluma office. If the Schellville agency is abolished the 30 minutes of daily work now done by the Schellville agent will be absorbed by the agents at Petaluma within the normal scope of their work.

The present duties of the Schellville agent are almost exclusively to take car orders and to sign bills of lading prepared by the customer. A car order is a request by a customer for a freight car. The present procedure at Schellville for placing car orders is for the customer to call the Schellville agent and request a freight car; the agent then calls the office in Petaluma to obtain the freight car. If the Schellville agency is abolished the customer will have to call Petaluma directly. Direct calls to Petaluma are now being utilized at other nonagency stations in the area. At present, after the Schellville agent signs a bill of lading the agent calls Petaluma and a clerk from Petaluma comes to Schellville and picks it up. The freight does not move until the bill of lading is picked up. If the Schellville agency is abolished that same Petaluma clerk would be called by the customer and go directly to the customer's place of business to sign the bill of lading. This is the procedure at nonagency stations in the area.

In addition to taking car orders and signing bills of lading station agents usually are required to perform such functions as damage inspection, rate and route information, car-spotting instructions, freight bill collection, inbound-order bill of lading shipments, train arrival information, demurrage record and bills, and car tracing. These functions are not now being rendered by the Schellville agent; they are rendered at either Petaluma or Santa Rosa. Eliminating the agent at Schellville will in no way affect these other functions. When requests for these services are made to the Schellville agent, the agent telephones Petaluma or Santa Rosa to obtain the service.

The railroad uses postcards to notify consignees that a freight car has arrived. Quite often this means that the car will be sent to the consignee's place of business before the postcard arrives. Except as a matter of courtesy the railroad does not notify by telephone.

At present the railroad has vacant positions for station agents. If the Schellville agency station is discontinued the agent will be placed at another station, will continue to do station agent's work, and will not displace another agent.

A transportation analyst for the SP testified concerning the costs of operating the Schellville station and the savings that would occur if the agent was removed. He testified that the agent at Schellville is an NWP employee and the entire expense of the agency is an NWP expense. The witness estimated that there would be an annual saving of \$9,540 if Schellville is operated as a nonagency station. The estimate of NWP revenues for 1970 is approximately \$42,000. This is the NWP share of revenues from inbound and outbound shipments originating or terminating at Schellville and nonagency stations of Vineburg, Sebastiani, and Sonoma. These nonagency stations can and do receive some service from the agent at Schellville.

Another witness testified that the clerks from Petaluma are in the Schellville area on an average of four times a day transporting train crews and making yard checks at Schellville and Sonoma. Because of this there will be sufficient clerks in the Schellville area to handle bills of lading, car sealing, and other services of the railroad. In the witness's opinion the closing of the Schellville station will not decrease the service to patrons at Schellville or in any of the other local nonagency stations. The witness testified that as a matter of courtesy the clerks telephone consignees that their cars have arrived and are ready for unloading. Notification by telephone is not a requirement but it is a standard practice.

The trainmaster of NWP testified that in October 1969 there was a large shifting of personnel and telegraphers from Schellville to Petaluma when Schellville was downgraded from a twenty-four hour station to an eight hour station and Petaluma was made the center of most of the railroad operations in this area. He testified that the discontinuance of the agency at Schellville will in no way affect train service to patrons in Schellville, Sebastiani, Sonoma, or Vineburg. There will be no train delays or change in the amount of time involved in providing service. Last year NWP operated at a loss and the railroad is operating at a loss currently.

A public witness, testifying in opposition to the discontinuance, said that he utilizes the services of the agent at Schellville who helps him considerably in securing freight cars. The type of cars he requires (DF loaders) are in short supply. He feels that the personal services of an agent who knows the customer is material in assisting the customer in obtaining freight cars. In his opinion if he has to phone Petaluma for service he will be considered "just another number in the book" and will lose the value of personal contact. He feels that the shippers in Petaluma, who know Petaluma agents, will be getting better service. The witness did not believe SP's promises that service would not deteriorate if the agent at Schellville were removed. In the witness's experience similar promises had not been kept. The witness ships from 60 to 100 cars a year, depending upon the size of the cars. Presently he is shipping with fewer cars because the cars are larger and can hold more freight.

The president of the Sonoma Valley Chamber of Commerce testified that the Sonoma Valley is a geographically isolated entity; that the only representative of the railroad in the Sonoma Valley is the agent at Schellville; and that by removing the agent the last vestige of personal railroad service will have left the valley. During the time the railroad has been reducing service to the Sonoma Valley the population of Sonoma Valley has grown from approximately 13,000 in 1950 to about 30,000 today. He expects the biggest growth in the valley to be within the next ten years and to support this growth good railroad service will be required. The lessening of service will reduce the attractiveness of the Sonoma Valley to industry.

The manager of the Sonoma Valley Chamber of Commerce testified that in his opinion the reduction of service at Schellville is another step in a plan by NWP to erode service in the Sonoma Valley to the point where they can stop rendering any service at all. Recently the railroad has removed spur track and has paved over other track in the Sonoma area, thereby reducing service. The witness testified that the reason there was no protest to the reduction of service at Schellville from a twenty-four hour station to an eight hour station was because at the time of that reduction the railroad sent representatives to talk to the business men in the area and those representatives gave assurances that the station would not close. The witness stated that even though it might be more profitable for the SP to reduce services at Schellville, the SP and this Commission have a duty to protect shippers in all parts of the

state, including those where the amount of traffic is comparatively small. The witness stated that there are a number of new companies in the area that expect to use railroad service; and personal contact with an agent on the scene is absolutely required for the best possible service.

In rebuttal a witness for the railroad testified that personal service by the agent at Schellville would not help shippers in the Sonoma Valley obtain freight cars in preference to other shippers. Freight cars are available to all shippers without preference and the railroad has a car distributor who attends to this function. The agent at Schellville cannot increase the possibility of a local shipper getting a car that he would not otherwise get.

Discussion

There was no evidence to rebut the railroad's evidence that the duties of the station agent at Schellville require no more than 30 minutes work a day, and that the duties consist almost entirely of taking car orders and signing bills of lading. The evidence shows that discontinuing the agency station will result in an annual savings of approximately \$9,500 to the NWP at a station where NWP revenue in 1970 is estimated to be about \$42,000. This is an uneconomical station. The only justification for retaining the station agent is to give the personal touch to railroad-customer relations. The evidence in this case shows that service now performed by the agent at Schellville can, except for the personal touch, be just as efficiently performed by the agents at Petaluma. Under these circumstances the agency station at Schellville should be discontinued.

Findings of Fact

1. The agent at Schellville does approximately 30 minutes of railroad work each working day. The work consists almost exclusively of taking car orders and signing bills of lading. These functions can be performed adequately and efficiently by the agents at Petaluma. Petaluma has a twenty-four hour seven day a week agency station. This station is equipped to provide better and more efficient service than the Schellville station which presently operates eight hours a day five days a week.

2. Abolishing the Schellville agency station will cause the NWP to save approximately \$9,500 annually in expenses. Revenue from the Schellville station in 1970 is expected to be approximately \$42,000.

3. The NWP system presently has openings for station agents. The agent at Schellville will be placed in a comparable job with the railroad and will not displace any other station agent.

4. Public convenience and necessity no longer require an agency station at Schellville.

The Commission concludes that the application should be granted.

ORDER

IT IS ORDERED that:

1. The Northwestern Pacific Railroad Company and Southern Pacific Transportation Company are authorized to discontinue their agency at Schellville, California and to remove the station building and appurtenances from public service subject to the following conditions:

- (a) The Northwestern Pacific Railroad Company and Southern Pacific Transportation Company shall maintain said station in a nonagency status.
- (b) Within one hundred twenty days after the effective date hereof and not less than ten days prior to the discontinuance of the agency at Schellville, California, applicants shall post a notice of such discontinuance at the station and, within one hundred twenty days after the effective date hereof and on not less than ten days' notice to the Commission and to the public, applicants shall file in duplicate amendments to its 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) Within thirty days after discontinuance of service as herein authorized, applicants shall, in writing, notify this Commission 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 14th day of OCTOBER, 1970.

J. Dubrow
Chairman
William J. Lyons
Vernon L. Sturgeon
Commissioners