

ORIGINAL

Decision No. 82919

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern Pacific  
Transportation Company for authority  
to discontinue agency at Monterey,  
County of Monterey, State of  
California.

Application No. 54317  
(Filed September 13, 1973)

Harold S. Lentz, Attorney at Law, for Southern  
Pacific Transportation Company, applicant.  
John H. Nail, City Manager, for City of Monterey;  
J. L. Evans, by J. J. Doherty, for United  
Transportation Union; Thomas A. Drakes, Councilman,  
for City of Pacific Grove; Edgar A. Moser, for  
U.S. Congressman Burt L. Talcott; and Blair McDonald,  
for Monterey Sand Company; protestants.  
Archie C. Sims, for Brotherhood of Railway Clerks,  
Legislative Committee; Mrs. Beverly Buck, for  
Assemblyman Bob Wood; Vernon F. Hurd, for Holman's  
Department Store; and Francis J. Sparolini, for  
Sparolini Distributing Company, Coors Beer  
Distributor; interested parties.  
Paul A. Burket, for the Commission staff.

## O P I N I O N

This application was heard before Examiner Fraser at Monterey on January 17, 1974, on which date it was submitted. Copies of the application and the notice of hearing were served in accordance with the Commission's procedural rules.

Applicant requests authorization to discontinue its agency in Monterey and to transfer the agent to Watsonville Junction, where he will handle all business formerly assigned to the Monterey agency. The station building will remain in Monterey; applicant does not intend to sell or dismantle it. Applicant provided testimony from four witnesses and documentary evidence. A councilman from the

city of Pacific Grove and two shippers testified as protestants. United States Congressman Burt L. Talcott, Assemblyman Bob Wood, the Railway Clerks, the United Transportation Union, Monterey Peninsula Chamber of Commerce, the city of Monterey, Senator Donald Grunsky, and four local shippers sent representatives who made statements for the record.

The Monterey agency handles only carload freight traffic. The agency provides no passenger service and sells no tickets. It has no authority to move trains or to demand or order freight cars. A witness testified that the Monterey agent performed about two hours of outside work and handled 30 phone calls on the day he was observed. About half of the calls were to Watsonville and may be eliminated if the agency is moved. Other testimony and Exhibit No. 5 were provided to show it cost \$15,682.84 to operate the Monterey agency during 1972 and \$14,996.94 for the first ten months of 1973. It was emphasized that at least \$15,000 will be saved annually if the Monterey agency is closed. A station supervisor testified that the Monterey agency is staffed by one man and is open five days a week from 7:30 a.m. to 4:30 p.m., less an hour for lunch. If the agent is working out of the office there is no one to answer the phone. The agency at Watsonville Junction operates from 7:30 a.m. to 1:30 a.m. the following morning, seven days a week. The yard office next to the agency is a 24-hour, seven day a week operation. The Watsonville office is always open during its 18-hour day and will be contacted through a Monterey phone number if the Monterey agency is closed. Empty cars are allocated to shippers from the Oakland office because of the need for a central control point, but Watsonville has a train yard and is a computer terminal on the Southern Pacific system, which provides instant access to available information. If the Monterey office is closed, the agent will be assigned to the Watsonville Junction office, thereby continuing his personal service to Monterey shippers.

Two shippers testified in opposition to the application. One represented a shipper of industrial sand who ships 1,000 freight cars annually. He testified that information on freight rates and action on complaints are more efficiently provided by a local agent who is personally acquainted with all his shippers. He noted further that steadily increasing freight rates should at least guarantee the continuation of local agencies when required by large shippers. A beer distributor testified that he cannot obtain more than a two-week inventory from his suppliers. He therefore requires frequent carload shipments and has an unloading crew on the dock whenever a car is scheduled to arrive. If a car does not arrive on time, the handlers are paid while they are waiting for the car and until the car is unloaded. A delay of one day in receiving the car may cost two days' wages for the unloading crew, plus possible overtime charges. Local agents are aware of problems of this type and seem to take a personal interest in resolving them. A city councilman from Pacific Grove testified he was appearing to represent his city and the department store he manages. He praised applicant's past service, then expressed concern that railroad freight service is steadily deteriorating due to the elimination of small agencies where each shipper is treated as an individual.

Three of those who made statements were concerned that the station in Monterey may be sold or leased as soon as the agency is removed. The county is negotiating with AMTRAK to have the latter reestablish rail passenger service between Monterey and the Bay area. The Monterey station will be needed if passenger service is provided. Other statements referred to how difficult it is to attract industry to an area without a railroad agency and how necessary the agency is to tourism and to the 30,000 military and naval personnel who are temporary residents.

Counsel advised that applicant does not intend to lease or sell the station building in Monterey. Applicant's request merely involves closing an office in Monterey and moving one man from Monterey to Watsonville.

Findings

1. The Monterey agency handles only carload freight. No passenger service is provided and no passenger tickets are sold.
2. The Monterey agency is staffed by one man and is open from 7:30 a.m. to 4:30 p.m. on five days a week, less a daily one hour lunch period.
3. Applicant has applied to close the Monterey agency and to transfer the agent to Watsonville Junction, about 25 miles away, which is open 18 hours a day, seven days a week.
4. The Monterey agency orders freight cars, signs shipping documents, seals cars, visits shippers, and provides information.
5. These functions can be assumed by train conductors or the personnel of the Watsonville agency without seriously inconveniencing the public.
6. Passenger service is not involved in this proceeding. There is no evidence that the Monterey station will be sold or leased. The station should be available if passenger service between Monterey and the Bay area is provided in the future.
7. Public convenience and necessity do not require the services of an agent at the Monterey station, since the public can be efficiently served with a nonagency station.

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that Southern Pacific Transportation Company is authorized to discontinue its agency at Monterey, Monterey County, subject to the following conditions:

- (a) Applicant shall maintain the station in a nonagency status for the receipt or delivery of freight in carload or trailer load lots only. ✓
- (b) Within one hundred twenty days after the effective date of this order and not less than ten days prior to the discontinuance of the agency at Monterey, applicant shall post a notice of such discontinuance at the station and, within one hundred twenty days after the effective date of this order and on not less than ten days' notice to the Commission and to the public, applicant shall file in duplicate amendments to its tariffs showing the change authorized and shall make reference in such notice and tariffs to this decision as authority for the change. In no event shall the agent be removed earlier than the effective date of the tariff filings.

- (c) Within thirty days after discontinuance of service applicant shall give written notice to the Commission that it has complied with this order.

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

Dated at San Francisco, California, this 29th day of MAY 1, 1974.

Vernon L. Sturgeon  
President  
William Lyons, Jr.  
[Signature]  
[Signature]  
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.