

Decision No. 84996**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Southern Pacific Transportation
Company for authority to discontinue
agency at Macdoel, County of
Siskiyou, State of California.

Application No. 55637
(Filed April 17, 1975)

Harold S. Lentz, Attorney at Law, for Southern
Pacific Transportation Company, applicant.
Carl Coulson, for Coulson Farms, Inc.; K. L. Thomas,
for Macdoel Russet Co., Inc.; Arthur M. Cherry,
for Cherry Farms, Inc.; and Bob Cheyne, for
Bob Cheyne - Potatoes; protestants.
Paul A. Burket, for the Commission staff.

O P I N I O N

This application was heard before Examiner Fraser at Dorris on July 31, 1975 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 at Macdoel, Siskiyou County, California. The railroad provided 11 exhibits and testimony from four witnesses. Four local potato growers filed protests. The evidence presented by the railroad emphasized that the Macdoel station can be closed without serious inconvenience to the public since all of its functions can be assumed without difficulty by the larger station at Klamath Falls, Oregon. A witness testified that the Macdoel station is open five days of the week, from 9:00 a.m. to 6:00 p.m. It is closed each day during the agent's noon hour and whenever the agent is out of the office. The witness further testified that the Macdoel station is not equipped with a radio and is not connected to the system-wide Southern Pacific computer system. He stated that checking the whereabouts of a car

or the progress of a claim requires a communication with Klamath Falls, since the latter station is connected by radio and computer with the rest of the Southern Pacific system. The witness noted that the most important function presently performed by the Macdoel agent consists of checking the identity of rail cars coming into and leaving Macdoel, answering the telephone, and signing bills of lading. A second witness testified that he recently stayed two days at the Macdoel station to observe the agent's activities. During this period the agent billed and checked 10 rail cars and had one phone call. The witness estimated that about four hours' work was required. A portion of the work completed was done because the agent had nothing else to do. The witness noted that if the agency is closed this work will be completed automatically by the Southern Pacific computer. It was admitted that the Macdoel station is busy from September through March when potatoes are shipped, but an agent is not required since the cars are assigned by the Klamath Falls station and the paperwork can be accomplished by train conductors or by the shippers themselves. An analyst testified that closing the station will save \$18,000 in 1975, with a projected savings of \$19,000 in 1976, and \$20,000 in 1977. The agent's job is protected and he will be moved to a new location with full seniority. Several exhibits showed that business at the Macdoel agency has declined over the past two years. It was noted in Exhibit 4 that freight bills totaled 595 in 1973, 437 in 1974, and 84 during the first three months of 1975. The same exhibit showed 302 car orders in 1973, 258 in 1974, and 50 during the first three months of 1975. Exhibit 7 reveals total revenues from the Macdoel agency were \$278,944 in 1973, \$184,591 in 1974, and \$34,913 during the first three months of 1975. The last witness testified that Klamath Falls can handle the Macdoel agency business without difficulty. The Oregon station has a minimum of five employees on duty at all times and rate clerks are usually available to answer

technical questions. Macdoel shippers will be able to phone the Klamath Falls agency on a special number free of charge. This should work to the advantage of the average shipper since most questions presently referred to the Macdoel agent must be forwarded to the Klamath Falls agency. Additional help will be sent to Macdoel during the shipping season, if necessary, although most of the present agent's functions can be forwarded to the Klamath Falls agency by a telephone call from Macdoel. The witness emphasized that service and deliveries in Macdoel will continue as before but without the agent.

Several people made statements on the record. A potato shipper stated that he prefers an agent who lives in the area served; it is too easy to make excuses or shirk responsibility when talking to someone on the phone located 30 miles away. He advised that winters are occasionally severe and weather conditions could prevent an agent from driving to Macdoel when needed. A second shipper stated that Macdoel is the only station between Dunsmuir and Klamath Falls on the eastern branch of the railroad. He indicated that closing this station may force local potato shippers to move their loads by truck. If this happens it does not seem logical that closing the station will save the railroad \$18,000 a year.

Findings

1. The Macdoel agency handles only carload freight for substantial shippers.
2. The Macdoel agency is staffed by one employee who works from 9:00 a.m. to 6:00 p.m., five days a week.
3. The agency is closed while the employee is at lunch and whenever he is out of the office.
4. The administrative work handled by the Macdoel agent can be performed by the train conductors or by the shippers themselves.
5. Applicant has applied to close the Macdoel agency and to transfer the agency functions to Klamath Falls, Oregon, about 30 miles away. The Klamath Falls agency is open 24 hours a day, seven days a week.

6. The functions of the Macdoel agency can be assumed by the personnel at Klamath Falls without seriously inconveniencing the public, and at a savings of \$18,000 a year.

7. Public convenience and necessity do not require the services of an agent at the Macdoel 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:

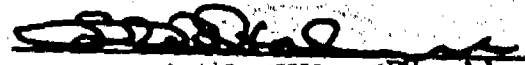
1. Southern Pacific Transportation Company is authorized to discontinue its agency at Macdoel, Siskiyou County, subject to the following conditions:

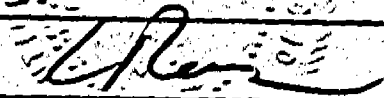
- (a) Southern Pacific Transportation Company shall
(1) maintain said station in a nonagency status for the receipt or delivery of freight in any quantity carloads or less and (2) provide toll-free telephone service to its Klamath Falls, Oregon, station from Macdoel and environs.
- (b) Within one hundred twenty days after the effective date of this order and not less than ten days prior to the discontinuance of the agency at Macdoel, Southern Pacific Transportation Company 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, Southern Pacific Transportation Company 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.

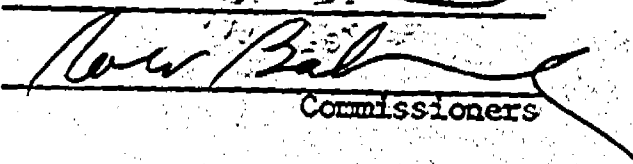
- (c) Within thirty days after discontinuance of service applicant shall give written notice to the Commission that it has complied with this order.

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

Dated at San Francisco, California, this 15th
day of OCTOBER, 1975.



President




Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.