

ORIGINAL

Decision No. 85119

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 Patterson, County of
Stanislaus, State of California.

Application No. 55579
(Filed March 21, 1975)

Harold S. Lentz, Attorney at Law, for applicant.
Ola H. Raven and George Joyce, for Patterson Frozen
Foods, Inc.; James Franzen, for Stanislaus County
Board of Supervisors; Carl Zarcone, for Patterson-
Westley Chamber of Commerce; Harold R. Densmore,
Attorney at Law, for City of Patterson; Thomas J.
Calabrese, for City of Patterson, Patterson Business
Association; James England, for Patterson Warehouse Co.;
and Brice Draper, for Patterson Produce Co. and
Patterson Warehouse Co.; protestants.
Paul A. Burket, for the Commission staff.

O P I N I O N

Southern Pacific Transportation Company (SP) maintains
an agency station at Patterson, Stanislaus County. By this
application authority is requested to discontinue that agency.

A duly noticed public hearing was held before Examiner
Tanner at Patterson on May 15, 1975. The matter was submitted on
June 20, 1975 upon the filing of briefs.

SP proposes to serve its Patterson patrons from its agency
at Tracy. That agency operates 24 hours a day, seven days per week.
The present agency at Patterson is open five days a week for eight
hours per day. Patrons would have a toll-free telephone service.
Bills of lading and other matters requiring personal contact, would
be handled by the traveling clerk, who presently travels through
Patterson to nonagency stations located to the south. Car tracing,

demurrage, and billing are currently handled out of Tracy or San Francisco. SP asserts that granting this application would result in an improvement of the service to its patrons in the Patterson area.

Evidence was presented which indicates that the present agent's duties do not warrant the retention of a full time employee. Exhibit No. 6 indicates that nonagency status may result in a net saving of \$14,300 annually. No evidence was offered reflecting any saving other than the agent's salary and related expenses.

Exhibit No. 7 is a summary of revenue from traffic having origin or destination at Patterson. The exhibit shows revenues of \$435,728 for 1973 and \$498,870 for 1974. These figures do not include revenues generated from traffic which may have stopped at Patterson for partial loading or unloading.

The Stanislaus County Board of Supervisors, the city of Patterson, the Patterson-Westley Chamber of Commerce, the Patterson Business Association, and three businesses located in Patterson who use the rail service of SP protested the application. The opposition to closing the Patterson agency is based on the fact that Patterson is located near the center of one of the states most productive agriculture areas. While the area produces a wide variety of agricultural products, it is particularly noted for its apricot production. (Patterson is known as the "Apricot Capitol of the World"); Protestants urged that careful consideration be given to the perishable nature of many of the products shipped; the need for efficient, low-cost transportation service to market areas; the favorable prospects of industrial expansion, which requires adequate rail service; and the personal attention a resident agent can give to their particular transportation problems.

The concern of protestants cannot be summarily dismissed with the assurance that no change in service is proposed, but only that "their" agent will no longer reside in the community. The

economic health of Patterson is directly related to the economic welfare of the area's agricultural activities which are dependent on the transportation facilities available. Any occurrence which appears to threaten the competitive position of the area's agricultural markets is quite understandably something to be viewed with suspicion.

The record in this matter, however, makes it clear that the duties of this agency do not warrant a full time agent. We cannot require SP to perpetuate an inefficient operation, even though the economic impact of the particular operation on the company is small. The record supports in full the relief requested. We do, however, believe that SP should take advantage of the obvious good will that has been established by their local agents and investigate ways and means by which the duties might be expanded (perhaps in the area of freight solicitation), so that the personal contact which has made favorable impressions could be retained, with perhaps a beneficial effect on revenue.

We find that public convenience and necessity no longer require the maintenance by SP of an agency at Patterson and conclude that Application No. 55579 be granted.

O R D E R

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


- (a) 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 Patterson, 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.


- (b) Within thirty days after discontinuance of service applicant shall give written notice to the Commission that it has complied with this order.
- (c) Southern Pacific Transportation Company shall provide toll-free telephone service between Patterson and Tracy for its patrons.

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

Dated at San Francisco, California, this 18th
day of NOVEMBER, 1975.



President


Stutzman


Commissioner