415-22

521-3-GEN.
San Francisco, August 18, 1932.

Mr. A. D. McDonald:

Referring further to my letter of August 2d and Mr. Shoup's mailgram from New York under date of June 7th to Mr. Dyer regarding study of motor car service in Arizona and elsewhere, particularly the portion dealing with the Niland-Calexico service:

Effective August 14th, 1932 we discontinued motors 365-366 thereby effecting an annual saving of approximately $3300. The schedule of trains 819-820 will be re-arranged so as to practically correspond with present schedules of trains 355-356, consequently, we expect to retain the traffic now moving on the latter trains.

Effective August 14th the gas-electric car which is used to fill the remaining run of motors 363-364 between Niland and Calexico is also being used to fill the runs of Inter-California Railway trains Nos.361-362 between Calexico and Yuma thereby effecting an operating saving by virtue of the lesser expense of handling gas-electric car as against the steam service. However, independent of the operation of trains 361-362 our study with respect to substituting PGL bus for motor 363-364 reveals that the bus service would cost us approximately $857 more per year than what it now costs to operate the gas-electric cars for these runs.

Detailed statement of expenses and revenues of the train service and bus service is attached. We have credited bus service with the same amount of revenue now accruing to the trains, however, our ex-

perience has been that when substitutions are made we lose competitive long haul traffic due to passengers' using the bus to points beyond terminals or by changing to through PGL bus at some intermediate point. Over 60% of the traffic using trains 363-364 is to or from points beyond Niland competitive with PGL, therefore, if substitution is made it undoubtedly will cause a decrease in earnings of trains 11 and 12 between Niland, Los Angeles, and intermediates.

The highway between Niland and Calexico is not as direct as our line. It is 41 miles by rail and 54.7 miles by highway. PGL estimates their elapsed time would be 30" longer than ours from Niland to Calexico and 35" longer from Calexico to Niland. The lengthening of schedules would, no doubt, be seriously objected to if we attempted the substitution.

Under the circumstances we do not recommend substitution of bus for motors 363-364. (Signed) F. S. McGinnis

Signed F. S. McG.

cc Mr.J.H.Dyer
Mr.W.A.Worthington
Mr.C.R.Harding.

3-e

415-22

STATEMENT SHOWING ESTIMATED ADDITIONAL ANNUAL COST TO S.P.CO.
IF TRAINS 363-364 ARE SUBSTITUTED BY P.G.L.BUS

PRESENT SERVICE

Cost of operating trains 363-364	$ 9,720	
Revenue	7,437	
Net revenue	2,283	
Taxes - Calif.gross income tax (7% of $7,437)	520	
Net Operating Gain		$2,783

PROPOSED SERVICE (One round-trip bus schedule daily)

Operating expense (3,931 mi.@ 25.16)	$10,047	
Revenue	7,437	
Net revenue	2,610	
Taxes - Calif.gross income tax (4¼% of $7,437)	316	
Net Operating Gain		$2,926

NET ANNUAL FINANCIAL RESULT TO S.P.CO.

Elimination of operating cost of Trains 363-364			$2,783
Less:			
Deficit to P.G.L. from operating proposed service		$2,926	
Guaranteed profit to P.G.L.(39,931 mi. @ 1-7/8¢)		714	$3,640
ESTIMATED ADDITIONAL ANNUAL COST TO S.P.CO. ACCOUNT SUBSTITUTION			$ 857

AUG 18 32

Issued by Passenger Traffic Department,
San Francisco, August 18, 1932.

415-22

540-1

San Francisco, Calif., Aug. 18, 1932.

R. E. H.
AUG 19 1932

Mr. J. F. Mote:

I am advised by General Manager:

"With discontinuance of schedules of Nos. 365 and 366, Niland-Calexico, effective August 14th, it is intended to utilize Motor No. 5 to fulfill schedules of Nos. 361 and 362 on the Inter-Cal. between Calexico and Yuma, this in addition to its operation on schedules Nos. 363 and 364 in the Imperial Valley."

The following is proposed related line rental rate in cents per mile, segregated between the factors of interest and taxes, depreciation and repairs for our gas-electric cars:

	Car Body	Motor Equipment	Total
Interest and Taxes	3.7¢	2.7¢	6.4¢
Depreciation	2.5	1.8	4.3
Repairs	3.0	12.0	15.0
Total	9.2	16.5	25.7

Bills for rental versus Inter-California Railway for cars of this type should be rendered on the basis of rental rate shown above.

(Signed) Geo. McCormick

cc-Mr.F.L.Burckhalter

Report No. 523-A
Supplement No. 2

415-22

August 17, 1932.

R. E. H. AUG 18 1932

Mr. E. W. Clapp:

Referring to further request from Mr. Loas with regard to cost of operating gas-electric motor trains between Niland and Calexico:

Prior to August 14th Trains Nos. 363, 364, 365, and 366 were operated between Calexico and Niland with one crew. On August 14th Trains Nos. 365 and 366 were discontinued, resulting in a saving per 30 day month as follows -

Wages	$219
Repairs	172
Fuel	73
Lubricants	28
Enginehouse expenses and train supplies and expenses	25
M. of W. affected by use . .	29
	$546

546
12
1092
546
$6552 per year

Effective with the discontinuance of trains 365 and 366, gas-electric car was placed in service on trains 363 and 364 between Calexico and Niland, and on trains 362 and 361 between Calexico and Yuma via Inter-California. In event trains 363 and 364 are discontinued between Calexico and Niland, the estimated out-of-pocket saving per 30 day month would be -

Wages	$483
Repairs	172
Fuel	73
Lubricants	28
Enginehouse expenses and train supplies and expenses	25
M. of W. affected by use . .	29
	$810

cc - Mr. F. L. Burckhalter
Mr. W. B. Kirkland

ORIGINAL SIGNED
V. S. ANDRUS
BY J. B. E.

RECD

122 miles per day and thirty days per month, we would have a monthly saving of $1,299.30.

On August 14th, Train 365 and 366 on the Imperial Branch will be with-drawn. This leaves the 400 HP gas-electric Motor 5 idle from 7:20 PM to 2:45 PM the following day, each 24 hours. When this change in train service is made, crews manning Nos. 363 and 364 between Calexico and Niland will also from then on man Nos. 361 and 362 between Calexico and Yuma. In event steam locomotive is used we would have to provide fireman in addition to other members of the crew.

Furthermore, the withdrawing of Trains 365 and 366 leaves but one round trip per day, identified as Trains 363 and 364, which is made by gas-electric motor, a distance of only 82 miles. Crews manning the motor, of course, will be paid a full day's rate of pay which will run up considerably the operating costs per mile of Trains 363 and 364, all of which is another reason why we should put in the motor service on Trains 361 and 362.

Mr. McCormick estimates it will take from ten to fifteen minutes additional time on present schedule and I think this can be done with the motor and the cooperation of the SD&A, and I propose that we try this out beginning August 15th.

Please wire me if you are agreeable to this. By copy of this letter I am asking Messrs. McFaul and Annable to express their views also.

(Signed) A. E. SWEET

cc - Mr. W. B. Kirkland:
Mr. F. L. Annable:
Mr. C. L. McFaul:
Mr. F. I. Burckhalter:
Mr. C. F. Donnatin:

F.L.B.

415-22

Los Angeles, August 4th, 1932.

Mr. E. G. Burdick:

In connection with recent correspondence we have had reference motor service between Calexico and Yuma on Trains 361 and 362, your file A-415.

As a result of study made, Mr. McCormick wired us that 400 HP car would handle combination coach and baggage car and two Standard sleepers, but would require 2 hrs. 20 mins. running time for Train 361 and 2 hrs. 25 mins. for Train 362, allowing for five schedule stops and one flag stop in each direction, approved for handling this tonnage during night operations only, as daytime heat plus heavy tonnage would be injurious to power equipment.

Understand consist satisfactory to all concerned, to be Standard Pullman, day coach and combination coach and baggage, total three cars.

Mr. Andrus advised that when eliminating rent and depreciation of locomotives, as well as train supplies and simply making comparison between locomotive and gas electric car, we have the following comparison:

	(Cost per mile) Steam	Gas Electric
Locomotive Repairs and Enginehouse Expense	28.8¢	7.4¢
Fuel	16.15	4.5
Water	1.9	---
Other Locomotive Supplies	2.25	1.7
Total	49.10	13.6

This makes a difference of 35.5¢ per mile and figuring

(COPY)

San Francisco, June 15, 1932.

Mr. Paul Shoup:

Referring to your K-38 of June 7th, particularly the last paragraph relative to substitution of bus and truck service for rail motor cars between Niland and Calexico:

When we were considering this substitution last year, it was found the following objections prevailed:

1. Highway between Brawley and Niland is not as direct as our line nor is it paved. Consequently, Pacific Greyhound Lines estimated their elapsed time from Calexico to Niland would be 30 minutes longer than ours on one round trip and about 50 to 55 minutes on the other, the longer of the two schedules due to heavy mail and express. This was very shortly after we had taken all of our through trains out of the Imperial Valley, and it was thought it would be unwise from a policy standpoint to take all of their local service away from them so soon afterwards.

2. Survey made by Pacific Greyhound people developed the mail and express was too heavy to handle on regular buses, necessitating an additional truck schedule. This, we found, increased the cost to practically the same as our own rail service.

3. Railroad Commission's permission to this substitution required the stage and rail rates to be equalized. Southern Pacific intermediate rates between Calexico and Niland are lower than Pacific Greyhound, and, to comply with the Commission's order, it would be necessary for the Pacific Greyhound Lines to lower their local rates to our basis, automatically reducing their through rates. At that time, they did not want to do this.

As conditions have changed so greatly since our last study

was made, it has been necessary to start a new one. Mr. Clapp is already having this done and we hope to let you know within the next week or so what economies, if any, we feel can be brought about.

(Signed) F. S. McGinnis

cc-Mr. W. A.Worthington
Mr. C. R. Harding
Mr. J. H. Dyer

415-22

San Francisco, June 13, 1932.

Mr. Burckhalter:

Your 415-22 of June 7, referring to Mr. Clapp's letter 3d, about motor car service in the Imperial Valley:

I issued the instructions to Superintendent Donnatin, assuming, of course, that the Passenger Traffic Department had complied with the President's instructions of April 21 (addressed jointly to Messrs. Dyer and McGinnis) to make a study of motor car service in Arizona and elsewhere; and further assuming that Mr. Donnatin had followed your instructions through the Assistant General Manager that Superintendents must contact local traffic officers before making recommendations affecting changes in train service.

Soon as I learned that Mr. Donnatin had not complied with those instructions, I wrote him under date of the 4th, as per copy attached, setting forth fully how the matter should be handled.

There is no reason for the Passenger Traffic Department to become exercised in this particular instance, as the subject of proposed discontinuance of these motor cars has been up each time a curtailment of train service has been considered in that territory; and it is my desire to get together proper figures to permit your determining from an operating standpoint whether the cars should be taken off and buses substituted, or whether we should continue to operate as we have in the past.

The mere statement by the Passenger Traffic Department that a run should not be taken off is not, in my estimation, sufficient upon which to base a conclusion that train service is justified, especially in these times when we are curtailing service wherever

it can be done at a saving in out-of-pocket costs and without serious loss of traffic.

Encl.

1-32-500M—8

C. S. 5527-A

MAILGRAM

4/5-22

C O P Y

New York, June 7th, 1932

Mr. J. H. Dyer:

Yours of May 20th giving results of your study of motor car service in Arizona and elsewhere.

I understand that you have since worked out a plan for taking off the Sacramento-Colfax motor car service by substituting Pacific Greyhound bus and truck service at substantial saving.

Good work. Hope you can work out similar saving between Sacramento and Placerville.

As to the Phoenix-Winkelman motor car service which handles an average of about two passengers per trip in addition to express and mail: am surprised to note statement that it is doubtful whether substitution of vehicles would save anything on this service. Occurs to me that you may not have considered fact that under our guarantee of Pacific Greyhound Apache Trail service we have extra vehicle equipment at both Phoenix and Globe and that Apache Trail service is only operated when there are passengers to be handled which is seldom during the summer months. It is necessary to have PG drivers available at both Globe and Phoenix for this service, however, and they are guaranteed a minimum wage of $120 a month regardless of amount of driving they do; the expense being charged to Southern Pacific. Therefore, very little expense would be required to operate buses or trucks to winkelman replacing present rail motor car service. Also, highway distance from Globe to Winkelman is only about one-third the distance from Phoenix to Winkelman and some money might be saved by operating the Winkelman service from Globe instead of from Phoenix.

As to the Globe-Miami motor car service: Further investigation of the cost of operating the rail motor car service between Globe and

MAILGRAM

C. S. 5527 A

Miami may develop that savings could be effected there by substituting highway service utilizing spare time of drivers and vehicles stationed at Globe as mentioned above.

Noting from Mr. McGinnis' mailgram of May 21st that he cannot join in the recommendation for substitution of bus and truck service for rail motor car service between Niland and Calexico, with copy of this mailgram am asking him to let me know the reasons governing this conclusion as we may be able to find some basis for giving a less expensive form of service so necessary in the interest of economy at this time. K-38

Paul Shoup

CC - Mr. F. S. McGinnis
Mr. W. A. Worthington
Mr. C. R. Harding

415-22

San Francisco, June 4, 1932.

Mr. C. F. Donnatin:

Your 415-22 of May 28 about proposed curtailment of motor car train service in the Imperial Valley:

In considering your original recommendation for substitution we were under the impression that you had followed the General Manager's recent instructions and had first conferred with local traffic officers, but since it now appears that this action was not taken, and traffic officers in the Los Angeles territory object to eliminating the service through fear of loss of freight traffic or the failure of a bus service to deliver passengers to us at Niland, but instead handle them direct to Los Angeles, depriving us of the entire haul, if, from a strictly Operating Department viewpoint we can save money by the arrangement suggested by you, it should be pursued to the point of determining the losses through prospective diversion of traffic (both freight and passenger) account operation proposed, and the cost of highway bus-truck service.

Therefore wish you would make such study, conferring with the local traffic people, and determine the cost as nearly as possible of a substitute highway service as compared with the motor car operation. If necessary I shall ask Mr. Andrus to review the figures, in order that we may have the benefit of a complete check of the two services.

There is no objection to your conferring with the Express people or with the Greyhound in securing such information as you need, but it should be done in such a way that it will not become public property and be discussed with all the shippers until you finally determine the best plan to follow.

As to securing the franchise and the filing of the application with the Commission, these will be handled by the General Manager's Office after we have your recommendations, the approval of the Assistant General Manager, and obtain the concurrence of the Traffic Departments.

Under our contract with the Greyhound it will not be necessary to post any bids for the service.

Soon as you have completed your investigation, if you will send it to me, with copy to Mr. Sweet for his approval, I shall handle to conclusion, but as previously advised, do not believe it wise to attempt to eliminate this service until after the cantaloup season is over, and then such substitute service will have to be augmented with a steam train or motor car during the following melon season while that traffic is moving out of the Valley at night; unless, of course, we find in the meantime that No. 819 can be changed to meet the requirements of the overnight traffic instead of running on its present schedule.

W. B. Kirkland.

Dict. WBK-hm

415-22

R. E. H.
MAY 17 1932

San Francisco, May 17th 1932.

Mr. J. H. Dyer:

In accordance with request contained in yours of April 22nd, file 415-22, am attaching copy of Study of Motor Car Passenger Train Service on Pacific Lines, as rendered by Superintendent of Transportation.

Views therein stated are those of Assistant General Managers and Superintendents involved, and in them I concur.

I am, by copy of this letter to Mr. Kirkland, asking him to proceed with requisite action to the end of ridding ourselves of the operation of Trains 291 and 294 between Colfax and Sacramento, and Trains 363, 364, 365, 366 between Calexico and Niland.

The discontinuance of these trains in the Imperial Valley will, as pointed out in the report, have to await conclusion of impending cantaloup season for the reason that they are now being used to handle express shipments in connection with Trains 1, 2, 3, 4 at Niland.

(Signed) F. L. BURCKHALTER

cc Mr. W. B. Kirkland : Will you please proceed, as outlined above.

F. L. Burckhalter.

(Signed) F. L. BURCKHALTER

→ See file 520-42/921

REH-rem

TD 089-2

415.22

R. E. H. APR 5 1932

San Francisco, April 4, 1932.

Mr. F. L. Burckhalter:

I sent gas-electric car 5 to Los Angeles for service in Imperial Valley after discussing with Mr. Williams, as, in view of the change on train 13, we considered that during the fruit season this car can haul several trailers with express and avoid necessity of freight train making trip to Niland.

Mr. Williams also stated he preferred to use this car on account of considerable repair work that is required on McKeen cars and also the fact they are continually failing.

I believe we should keep gas-electric car 5 in the service there and it will save money in repairs as the McKeen cars are old and do not stand up well under heavy service.

W. B. Kirkland

cc - Mr. T. H. Williams.

C: 75/931-2

415-22

San Francisco, Calif.,
June 6, 1930

Mr. F. L. Burckhalter:

Your file 415-22 of June 3 to Mr. Dyer recommending assignment of two 600 HP gas-electric cars to service in the San Joaquin Valley in schedules of Nos. 39-95 and 40-96:

We are not in a mind to look with favor on this substitution, particularly because of the necessity of handling 4 trailers on one of the trains, and the switching incidental to picking up and setting out cars which would be done by the gas car occupied by passengers. Before assuming the car can make the present schedules and maintain on time performance, think the test should be continued over at least a week's period.

At our Los Angeles conference, last week, to discuss motor stage service substitution in the Imperial Valley, we were given to understand the McKeen car operating between Calexico and Niland is in very bad condition, and there is some doubt as to its being able to operate very much longer. If that is correct, and in view of the fact there seems to be little chance of our substituting stage service, we believe it would be more economical to assign one of the 400 HP cars, now in service in the Sacramento Valley, to the Imperial Valley and use the extra 600 HP car to operate out of Sacramento in place of the 400 HP.

The following shows cost of operating various types of service in the Imperial Valley, based on figures contained in communications received from your office:

			Per mile
Cost of steam service, 1929.	Est.	$59,860.00	$1.00
Cost of McKeen service, 1929. #	"	19,736.00	.3297
Cost of gas-electric.	"	26,973.00	.4506
Actual cost of operations, 1929, (77% McKeen, 23% steam)		25,854.00	.4318

#Estimate. Based on actual cost of operations when McKeen cars were in service.

#2 FLB

Using the actual operating cost of the gas-electric cars in service, Coast Division, and estimate of steam service cost, it would seem to us one of the cars now in Peninsula service, which you propose sending to the San Joaquin Valley, would save us as much money where it is now as would be saved by the use of two cars between Tracy and Bakersfield. Further, the gas car would not be available for additional service on the Peninsula, the plan of which, we understand, has only been abandoned temporarily.

If the point of obsolescence in the McKeen car now operating in the Imperial Valley has been reached, and other service must be substituted, it would seem the greatest saving could be made by the use of a gas-electric car. Using your own figures, steam service in 1929, when it was necessary to operate such account McKeen cars being unserviceable, cost approximately $1.00 per mile. This would make the cost of straight steam service, over a year's period, approximately $60,000.00 per year as has been shown hereintofore. Your figures for gas-electric operations in the Valley estimate the cost at $26,973.00. Therefore, it indicates, as compared to steam service costs, gas-electric service would save us approximately $33,000.00.

The Imperial Valley produces a tremendous amount of freight revenue for our Company, and, in our opinion, we should not be niggardly with the passenger service we give them. Rather than struggle along with an antiquated McKeen car which, because of its worn out condition, must be substituted from time to time with a steam train, we urgently recommend the assignment of one of the 400 HP type gas-electric cars to service between Calexico and Niland.

E. W. Clapp

cc: Mr. F. S. McGinnis,
Mr. H. A. Hinshaw.

415-2 R. A. V.
AUG 7 1929

San Francisco, August 6, 1929.

Mr. T. Ahern:

Mr. T. E. Williams:

Mr. A. E. Sweet:

You will be interested in the performance and operating costs of the two gas-electric cars purchased by the Company for use in lieu of steam service.

SP No. 2 (600 H.P. Brill car) handling a combination coach and baggage car as trailer, operates between Tucson and Phoenix on schedules of trains 107 and 108, making round trip of 242 miles per day in 7 hours 50 minutes running time, or an average speed of 30.9 miles per hour. The car itself has a baggage space for 10,000 pounds and a seating capacity of 56 passengers. Cost of car and motor feature repairs, motorman, trainmen, housing expense, fuel, and train supplies and expenses, for period February 12th to June 30th, averaged 33.3¢ per train mile. Performance is satisfactory.

SP No. 2 (450 H.P. Mack car) operates on schedule of trains 35 and 36 Phoenix to Winkelman and return, and trains 37 and 38 Phoenix to Maricopa and return, making round trip of 266 miles per day in 12 hours 30 minutes running time, or an average speed of 21.3 miles per hour. Between Phoenix and Winkelman a chair car is handled as a trailer in both directions, and a sleeping car is handled from Maricopa to Phoenix. The car itself has a baggage space for 10,000 pounds and a seating capacity of 74 passengers. Cost for the same items of expense given for car No. 2 averages 33.9¢ per train mile for period April 4 to June 30 inclusive. While some trouble has been experienced with engine cooling and battery charging systems, these are being corrected by builders. Otherwise the general performance of car is good and is satisfactory for taking care of

light branch run.

While I do not have the actual costs of these services when handled by steam trains, am safe in saying that they at least averaged 75¢ per train mile, indicating a substantial saving has been made by the substitution of gas-electric service for steam service.

We have on order 9 gas-electric cars consisting of 5 straight passenger coaches equipped with dual 600 H.P. plant for use in suburban service between San Francisco and San Jose, and 4 combination baggage and passenger cars equipped with 400 H.P. plant, 2 for use on Sacramento Division in lieu of trains 41, 42, 43 and 44, one for Western Division trains 503, 89, 90, 93, 94, and 501, and one spare.

Desire that you again have your districts carefully canvassed to see if gas-electric cars can be substituted for any other steam trains on various runs where steam trains are losing money and the business could be handled by these cars, bearing in mind that these cars can handle one trailer, and even two if grades are not too severe. Would like to receive this information at your earliest convenience.

(Signed) F. L. BURCKHALTER

BAV/p