

INTERSTATE COMMERCE COMMISSION

Served October 6, 1964

NOTICE TO THE PARTIES

Exceptions, if any, must be filed with the Secretary, INTERSTATE COMMERCE COMMISSION, Washington, D. C., and served on all other parties in interest within 30 days from the date of service shown above, or within such further period as may be authorized for the filing of such exceptions. At the expiration of said period for the filing of exceptions, the attached order will become the order of the Commission and will become effective unless exceptions have been seasonably filed or the order has been stayed or postponed by the Commission. If exceptions are filed, replies to exceptions may be filed within 20 days after the final date for filing of exceptions. It should not be assumed that the recommended order has become effective as the order of the Commission until a notice or order to that effect has been served.

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Finance Docket No. 22902

NORFOLK AND WESTERN RAILWAY COMPANY ABANDONMENT (PORTION)  
BLACKSBURG BRANCH, VA.

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Decided  
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Certificate issued permitting abandonment by the Norfolk and Western Railway Company of that portion of its Blacksburg Branch line of railroad extending between Milepost C-3.73, near Christiansburg, Va., and Milepost C-8.90 in Blacksburg, Va. Conditions prescribed.

John S. Shannon for applicant.

Wilbur L. Hazelgrove for Virginia Polytechnic Institute, intervenor in support of application.

B. H. Allen for protestant.

William G. Mahoney for Railway Labor Executives' Association, protestant.

REPORT, CERTIFICATE AND ORDER

RECOMMENDED BY LESTER R. CONLEY, HEARING EXAMINER

By application filed December 16, 1963, under the provisions of section 1(18-20) of the Interstate Commerce Act, the Norfolk and Western Railway Company, a common carrier by railroad subject to the provisions of Part I of the act, seeks a certificate of public convenience

and necessity permitting abandonment of that portion of its Blacksburg Branch line of railroad extending a distance of 5.17 miles between Milepost C-3.73, near Christiansburg, and the end of the branch at Milepost C-8.90 in Blacksburg, all in Montgomery County, Va.

Following receipt of protests, the application was referred to the examiner for hearing and the recommendation of an appropriate order accompanied by the reasons therefor. A hearing has been held at which Virginia Polytechnic Institute of Blacksburg intervened in support of the application, and the Railway Labor Executives' Association and one shipper from Blacksburg appeared in opposition. Briefs have been filed by all parties to the proceeding.

Although the various railroad labor organizations oppose the abandonment per se, nevertheless they request that, in the event abandonment is authorized, approval be conditioned to require protection for employees adversely affected thereby similar to those imposed in Chicago B. & Q. R. Co. Abandonment, 257 I.C.C. 700. Applicant is willing to accept these conditions.

The Blacksburg branch begins at a junction with applicant's Roanoke, Va. to Bluefield, W. Va., main line at Christiansburg, and extends northward 8.40 miles into the town of Blacksburg. It crosses applicant's Roanoke to Elmore, W. Va. main line at Merrimac, Va., but does not connect with any other railroad. Applicant proposes to abandon 5.17 miles of the Blacksburg branch from its present terminus in downtown Blacksburg to a point approximately one-quarter mile north of State Route 114 at Milepost C-3.73.

If the proposed abandonment is authorized, applicant plans to retire the existing team track facilities in downtown Blacksburg and to construct modern team track facilities immediately south of State Route 114 at a location approximately 0.3 miles from U. S. Route 460. The latter highway passes through Christiansburg and Blacksburg and closely parallels the Blacksburg branch between those points.

Construction of the line between Christiansburg and Blacksburg was completed by the Virginia Anthracite Coal and Railway Company in 1904 and was thereafter operated by that Company and its receivers until January 31, 1912, when it was acquired by applicant, which has operated it to the present time.

While no details respecting the line's type of construction, i.e., the weight of the rail, type of ballast, etc., were furnished for the record herein, it was established that the present state of maintenance of the tracks sought to be abandoned is good.

Blacksburg is the only station located on the segment of line proposed for abandonment and the expressed purpose of the proceeding is to obtain the removal of the line from the town of Blacksburg and the relocation of the railhead of the branch at a point south of the town limits. In fact, the filing of the instant application is the result of a resolution adopted by the Blacksburg Town Council requesting applicant to abandon all of its line, including its station, in the town limits and relocate the railhead at a point south of the town in order to facilitate a street relocation project in Blacksburg; make available to the Town the present station building and right-of-way within the town limits; and make possible an expansion of the Blacksburg airport.

The physical railroad facilities within the town, other than the track itself, consist of the station building, team tracks, and three unloading chutes located in the center of the town.

There are no private or assigned sidings at Blacksburg and applicant's patrons take delivery of inbound carload shipments on railroad-owned team track facilities. There is room for the unloading of three boxcars on the right-of-way near the station building. The area is unpaved, slopes toward the track, and is subject to muddy conditions.

The aforementioned tracks on the trestle pass over two city streets near the station building. The trestle is constructed of timber and from ground level to unloading chutes presents a low clearance, which of necessity limits the use of the chutes to low-capacity trucks. On one of the tracks it is possible to unload approximately three cars, but additional spotting of cars is required. On the other track there are two unloading points but unloading is limited due to boxcars unloading north of the trestle on this particular track.

The trestle was constructed in 1904 and is now in only fair condition. The unloading chutes, or hoppers, are equipped with slide-plate gates, operated by levers, which are now considered to be obsolete. The team track facilities are considered to be out of date, are congested, and do not lend themselves to efficient operation. Applicant has concluded that there is no reasonable way to improve these facilities without substantial expense because of their location in the center of town. The estimated salvage value of the segment in question, exclusive of the right-of-way and station building, is \$93,577.

With the exception of an occasional special train operated principally to accommodate students from Virginia Polytechnic Institute attending athletic events in nearby

cities, there has been no passenger service on the Blacksburg branch since regular passenger service was discontinued in 1958. No mail is transported over the branch, and what little express there is at the Blacksburg station is transported by truck to Christiansburg. Interstate less-than-carload freight service was discontinued on the branch in 1963, and on June 22, 1964, applicant was authorized to discontinue all intrastate less-than-carload freight service on the branch other than shipments of 6,000 pounds or more moving from one consignor to one consignee and not requiring freight house handling.

At present, the only freight moving over the branch is carload traffic, and service is only rendered on a non-scheduled basis by a local "shifter" train operating daily, except Sunday, from Radford, Va. The bulk of the freight handled over the branch moves inbound to Blacksburg and consists principally of coal, building materials, feed and fertilizer. In 1963, there were 698 carloads of inbound commodities handled over the branch. Of these, 504 were bituminous coal, 64 were cement, 23 of sand, and 22 cars of corn. There are very few outbound carload shipments. In 1963 such shipments amounted to only seven cars.

Blacksburg, which is an agency station, is located at the end of the branch and is not served by any other railroad. If the line is abandoned as proposed, the nearest railroad station will be at Christiansburg, which is approximately seven miles by highway from Blacksburg. Christiansburg is a ticket and freight agency station located on applicant's Radford Division main line.

The approximate population of the territory served by the portion of the line sought to be abandoned is 7,700. The territory encompasses approximately a 12½ square mile area the limits of which are defined as being one mile east and west of the line to be abandoned, beginning at the southerly limits thereof and continuing northwardly to the corporate limits of Blacksburg and including the entire corporation of Blacksburg.

Blacksburg, with an official population of 7,070, is the home of Virginia Polytechnic Institute (V.P.I.), which has an enrollment of over 6,500 students and an academic and administrative staff of 687 persons. An additional 1,103 persons are variously employed on the college campus. There is no farming, lumbering or manufacturing activity in the area which is dependent for transportation on the segment sought to be abandoned.

If the authority here sought is granted, the right-of-way within the town limits of Blacksburg and the

appraised value of \$5,000. This donation will facilitate street relocations within the town, including the elimination of a highly undesirable underpass situation caused by the location of the aforementioned trestle over the intersection of two streets in downtown Blacksburg. This intersection, where at least three traffic accidents have occurred in the past 18 months, is dangerous because of unfavorable street alignment, visual obstructions and inadequate overhead clearance.

An additional benefit to the Town of Blacksburg would come from the donation of the station building. Blacksburg is in need of a town hall and civic center and studies by town officials indicate that the railroad property where the station is located is the best possible site for the described civic improvement.

V.P.I., a State-supported school, owns land on both sides of applicant's right-of-way south of the town limits. If the proposed abandonment is authorized, applicant plans to donate this part of its right-of-way (5.30 acres) to V.P.I. The appraised fair market value of this land is \$795. This will permit expansion of the V.P.I. owned and operated airport at the south edge of the town limits, plans for which have been approved but which are being held in abeyance until applicant's line of railroad in the vicinity is eliminated.

In addition to the other land donations, applicant also plans to donate to the Montgomery County Board of Supervisors such parts of its right-of-way south of the V.P.I. property as will not be needed for railroad purposes, consisting of 19.13 acres and having an appraised fair market value of \$5,469, in order to permit potential roadway access needed in that general area.

The new team track and unloading facilities applicant proposes to construct near State Route 114 would be within the Christiansburg switching limits. There will be three separate unloading trestles on one track, permitting the unloading of three cars simultaneously, and with sufficient track space above each trestle for the storage of two additional cars, thus providing a total capacity for unloading nine hopper cars. The unloading trestles will be equipped with clamshell gates of modern design, which are much easier to operate than the existing slide-plate gates at Blacksburg. Greater clearance will be provided from the gates to the driveway surface, thereby permitting the use of larger trucks than at present.

Track gradients of one percent will be provided on the unloading trestles, and gradients of 2 to 3 percent will be provided above and below the trestles to permit

the efficient movement of the cars onto the trestles and, after unloading, the movement of the cars off the trestles preparatory to unloading additional cars. This compares with the relatively flat gradients on the present unloading trestle at Blacksburg where cars do not roll freely by gravity and must be propelled by "pinch bars" or other means.

Applicant also proposes to provide track space for three cars near the end of the proposed track for general teaming purposes, other than for unloading bulk commodities from hopper cars, and to construct a loading area and driveways connecting with State Route 114. Additionally, applicant proposes to make land available at the new facilities for rental to rail receivers for such purposes as the installation of truck scales and the storage of equipment.

If the abandonment is authorized, applicant proposes to lease a direct commercial telephone line between Blacksburg and its station in Christiansburg, which would be the governing agency for the new facilities, so that patrons in the Blacksburg area desiring service information may obtain it from Christiansburg without payment of the customary toll for calls to Christiansburg. The Christiansburg agency is now, and will remain, open daily from 5:00 a.m. to 11:00 p.m., whereas the present Blacksburg agency is only open from 8:00 a.m. to 5:00 p.m., five days a week.

The estimated cost of the new facilities is \$70,000. However, this expense would be offset by the cash generated, estimated to amount to \$195,000, from salvage of the segment and the tax benefits that would accrue due to retirement loss and the land donations mentioned. Thus, there would remain a net cash gain to applicant of approximately \$125,000.

Operating results for the years 1961-63 and for the first three months of 1964, on the segment proposed to be abandoned were as follows:

	<u>REVENUES</u>			<u>3 Months</u>
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Branch Line Passenger Revenue	\$ 442.67	\$ 674.00	579.50	\$ ----
Passenger Revenue to Balance of System	9,077.03	4,989.85	9,880.70	----
Branch Line Freight Revenue	3,088.22	2,980.19	3,290.79	921.37
Freight Rev. to Bal. of System	81,986.76	75,652.77	94,941.79	29,486.94
<b>Total Revenue</b>	<b>\$94,594.68</b>	<b>\$84,296.81</b>	<b>\$108,692.78</b>	<b>\$30,408.31</b>
	<u>EXPENSES</u>			<u>3 Months</u>
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Average Maintenance of Way and Structures Expense	\$ 3,516.08	\$ 3,516.08	\$ 3,516.08	\$ 879.02
Station Force	5,731.64	5,881.64	5,967.42	1,490.08
Station Supplies & Expenses	349.38	349.08	348.26	92.61
Train Operation	4,869.01	4,259.23	4,294.90	1,001.88
Expense to Balance of System (50% of off-line Revenue)	45,531.90	40,321.31	52,411.25	14,743.47
<b>Total Expense</b>	<b>\$59,998.01</b>	<b>\$54,327.34</b>	<b>\$66,537.91</b>	<b>\$18,207.06</b>
<b>Net Operating Income</b>	<b>\$34,596.67</b>	<b>\$29,969.47</b>	<b>\$42,154.87</b>	<b>\$12,201.25</b>

Since no local traffic or bridge traffic is handled over the segment in question, the foregoing reflects only movements between points on the segment and points beyond. Passenger revenues are assigned to the segment on the basis of the ratio of passenger miles on the branch to the passenger miles moved on other parts of applicant's system. Freight revenues were assigned on the basis of the ton miles on the branch to the ton miles such freight moved on the system. The following is a summary of system freight and passenger revenues accruing to applicant from traffic originating on or destined to points on the segment to be abandoned, showing the relationship of inbound to outbound movements over the line.

SYSTEM FREIGHT REVENUES ON:

	<u>Inbound Traffic</u>	<u>Outbound Traffic</u>	<u>Total Inbound and Outbound Traffic</u>
1961	\$84,818.98 (a)	\$ 256.00 (b)	\$85,074.98
1962	78,251.82 (a)	381.14 (b)	78,632.96
1963	96,848.77 (a)	1,383.81 (c)	98,232.58
3 mos.			
1964	30,147.98 (a)	260.33 (c)	30,408.31

NOTE: (a) Inbound movements consisted principally of bituminous coal terminating at Blacksburg, consigned to V.P.I. and for local delivery. Other traffic consisted of building supplies, feed grains, fertilizer, gasoline and less carload merchandise, all terminating at Blacksburg for local distribution.

(b) Outbound movements during 1961 and 1962 consisted of less carload traffic originating at Blacksburg.

(c) Outbound movements during 1963 consisted principally of less carload traffic. However, four cars of copper wire and two cars of logs originated at Blacksburg. The only outbound movement during the first three months of 1964 was one car of logs.

SYSTEM PASSENGER REVENUES ON:

	<u>Local Traffic</u>	<u>Connecting Line Traffic</u>	<u>Total Local and Connecting Line Traffic</u>
1961	\$4,405.20	\$5,114.50	\$ 9,519.70
1962	5,663.85	--	5,663.85
1963	5,390.20	5,070.00	10,460.20
3 mos.			
1964	--	--	--

With respect to expenses, the amounts listed for Station force and Station Supplies and Expenses are actual expenditures as reflected by applicant's records. The amounts specified for maintenance of way and structures are merely averages which were arrived at by first determining the total maintenance of way and structures expenditures made on the segment during the 39-month period involved (\$11,427.26), and then determining the average cost per month. This monthly average times the number of months involved (12 months for the years 1961-63 and three months for 1964) resulted in the totals for maintenance of way and structures expenses for the respective periods reflected in the foregoing table.



The record shows that there has been a substantial fluctuation in the amounts expended by applicant from year to year in maintaining the segment of line in question and the structures thereon. In 1961 the total expenditures for this purpose amounted to \$1,993.08. In 1962 they increased to a total of \$8,153.96 and then amounted to only \$1,280.22 in 1963. No maintenance expenditures were made on the line during the first three months of 1964.

While it is evident from the foregoing that the use of the averages contained in the foregoing exhibit does not result in an accurate portrayal of operating results on the segment for any of the periods covered by the foregoing exhibit, inasmuch as there is no allegation of loss in the operation of the line, it does not appear that applicant's use of the averages mentioned is objectionable.

The Expense to Balance of System was determined by the use of the so-called 50 percent formula in which it is assumed that the expense to the system of handling freight to or from points beyond the segment in question is equal to one-half of the revenue accruing to the system from handling such traffic beyond the segment. This method has been utilized with approval by the Commission in numerous abandonment proceedings. See Northwestern Pacific R. Co. Abandonment, 312 I.C.C. 783.

Although no steps have been taken by applicant to acquire the land where the new team track and unloading facilities would be constructed, there is a clear indication in the record that the land will be acquired in the event the abandonment proposed is authorized. Based upon an examination of topographical maps and a personal inspection of the area, and considering the terrain and availability of roads and highways in the area, applicant's engineer responsible for the construction of a new team track considers the proposed location as the most feasible site for the new facilities south of the V.P.I. airport.

By virtue of the fact that the new team track and bulk unloading facilities would be within the Christiansburg switching limits, there would be certain rate reductions on rail traffic destined to Blacksburg receivers if the Blacksburg segment is abandoned as proposed. The great bulk of the coal delivered to receivers at Blacksburg, other than V.P.I., originates on applicant's line within the so-called Pocahontas Group territory. There is a difference of seven cents per net ton between coal shipments originating in such territory on applicant's line destined to Christiansburg and those destined to Blacksburg. By moving the railhead

to the Christiansburg area, coal dealers would realize the same rate on their shipments as that presently enjoyed by their competitors in Christiansburg. Inasmuch as the rate on the low-grade coal destined to V.P.I. at Blacksburg from origins on the Southern Railway and the Interstate Railroad is the same as the rate to Christiansburg, the shifting of the railhead to the new area would not result in a reduction in the present rate on the V.P.I. coal. Receivers of merchandise at Blacksburg would also realize rate reductions by the proposed abandonment. For example, the rates on cement, sand and corn, the three commodities, other than coal, which moved in the largest volume in 1963, would be reduced. The cement rate would be reduced one cent per 100 pounds, the rate on sand would be reduced 47 cents per net ton, and the rate on corn would be reduced from an average of 71 cents to  $66\frac{1}{2}$  cents per 100 pounds.

It is applicant's contention that the disadvantage to receivers of freight in having to operate trucks the additional distance to the new facilities would be more than offset by the advantages flowing from the more efficient unloading facilities at the new railhead and from the rate reductions that would become available. Applicant contends that freight can be received at the new facility and transported to Blacksburg without any overall increase in handling costs. It is applicant's view that because of the benefits which, it claims, would accrue to all of the interests involved -- the Blacksburg-V.P.I. community, the rail receivers in the Blacksburg area, and the railroad -- the proposal here considered appropriately may be found to be in the public interest.

Protestants contend, however, that the reasons advanced to support the instant application are wholly unrelated to criteria available to the Commission upon which to properly determine public convenience and necessity as related to the abandonment proposed. It is their view that, inasmuch as the application is predicated on the mere desire of the town of Blacksburg and V.P.I. to effect civic improvements which are economically feasible only if the railroad line is dismantled and removed from the town limits and the right-of-way is donated to the Town and V.P.I., such interests are opposed to the relevant interests of the shipping public. They claim that the interests of the shipping public constitute the sole and only proper basis for evaluating whether the public convenience and necessity will permit the abandonment here proposed. These issues will be discussed in more detail in a later paragraph of this report.

The instant application received strong support by the Town Council of Blacksburg, the Blacksburg Chamber of Commerce, V.P.I., and several businessmen from the Blacksburg area. According to the Mayor of Blacksburg, approval of the application would facilitate the development of a master street plan for the Town of Blacksburg. At present, the existing railroad line obstructs the north-south movement of vehicular traffic and prevents the intersection of many secondary streets west to east as well as north to south. In addition to eliminating the aforementioned underpass situation caused by the railroad trestle over the intersection in downtown Blacksburg, abandonment of the line as proposed would eliminate two grade crossings, one at Main Street (U. S. Route 460) and one at Miller Street. In addition to the other benefits which would accrue to the Town by the abandonment proposed, the Town Council also considers that the Town as a whole would benefit by V.P.I. being enabled, through the abandonment, to expand its airport facilities. It is the view of the Town Council that, through applicant's proposal, the civic improvements can be carried out in the Blacksburg area while, at the same time, the shipping public is benefited by providing it with much more modern unloading facilities than at present. The Town Council considers applicant's proposal to be in the overall interest of the Blacksburg community.

Because of the immediate proximity of the V.P.I. campus to the Town of Blacksburg, the fact that approximately 60 percent of the population of the town is employed by the University, and the further fact that the prosperity, growth and development of the Town are dependent upon the continued operation and development of the University as a State-supported school, there is a clear community of interest between the activities of the Town and the University. Indicative of this common interest is the fact that a majority of the Blacksburg Town Council, composed of six members and the Town Mayor, is composed of members of the staff of V.P.I. or retirees therefrom. Also, the Mayor is an associate professor at the University. Thus, it is that the Town and V.P.I. are mutually interested in promoting the orderly development of the Town and the University and in coordinating the development of the campus with the development of the Town.

The Finance and Business Manager of V.P.I., who testified in support of the application, indicated that it was advantageous to both V.P.I. and the Town to avoid, where possible, the costly development of street systems accommodated to railroad trackage, and expressed the view that the character of Blacksburg as a university town and the relatively small volume of inbound and outbound rail shipments strongly indicate the desirability of terminating the branch line at a point outside the urban area of the community.

The witness further indicated that abandonment of the line in the area immediately south of the town limits is essential to the development of the V.P.I. owned and operated airport to meet approved standards. V.P.I. has an ROTC program, an integral part of which is flight training, at the Blacksburg airport. Additionally, the airport is useful in connection with aerospace engineering work at V.P.I. and in accommodating the aircraft utilized by corporate representatives when visiting V.P.I. for such purposes as interviewing of students and the establishment of a research park for industry. The airport is considered by V.P.I. officials as important to the growth and development of the University.

The airport presently consists of a single runway 500 feet wide by 3,100 feet long and paved 150 feet wide by 2,800 feet long, with two taxi strips and a paved plane parking area around a hangar and shop building. Plans for an additional runway, to be graded 400 feet wide by 5,200 feet long and paved 100 feet wide by 4,200 feet long and to include the required plane turning areas at each end of the runway, have been approved by the respective agencies involved, and tentative allocation of funds have been made for its construction. There is no way to extend the existing runway and still meet Federal Aviation Agency standards for approaches. The proposed expansion plan has been developed in cooperation with the Federal Aviation Agency and, based upon existing wind currents in the area, runway distances required, and approach standards, it is the only type of plan that is feasible for the Blacksburg airport. The tentative allocation of Federal funds for the airport expansion program is conditioned upon the removal of applicant's line of railroad in the vicinity of the airport.

The Board of Directors of the Blacksburg Chamber of Commerce, an organization having approximately 100 members which endeavors to promote civic projects, industry and commerce within the Blacksburg area, adopted a resolution in support of applicant's proposal. The resolution expresses the view that removal of the railroad line as proposed is in the best interest of the Blacksburg community because of the benefits that will accrue to the Town and the airport. Further, that the limited service afforded by the present line is of questionable value and that major users of the rail service will be provided as adequate and economical service at the proposed new railhead as that presently provided in the Town limits.

The principal user of applicant's service to or from Blacksburg is V.P.I. The University buildings are heated by steam boilers fired with coal. In 1963, V.P.I. received 21,278 net tons of coal, all of which originated

on the lines of the Southern Railway. This constituted 74 percent of all the coal moved to Blacksburg. This coal is transported by truck from the existing railhead in Blacksburg in vehicles owned and rented by V.P.I. to the coal storage area at the central heating plant located on the north side of the campus. The University expects an increase in its coal requirements in the years immediately ahead by virtue of new construction now underway or contemplated under its existing expansion program.

The Finance and Business Manager of V.P.I is of the view that it would be more convenient for the University to receive its coal requirements at the proposed railhead than at the present facilities. Studies have been made by V.P.I. of the plans covering the proposed unloading facilities and they have been found to be superior in design to the existing facilities at Blacksburg. Greater efficiencies in unloading will be achieved through the multiplication of trestles, the new railhead will be removed from the congestion of downtown traffic, and the overhead clearance of the new trestles would permit the utilization of trucks of greater capacity than those which the Blacksburg trestle can now accommodate.

Based upon their cost studies, V.P.I. engineers have concluded that there would be no increase in the handling costs to V.P.I. by reason of the receiving of coal at the new railhead. It was recognized that the trucks would move an additional distance of approximately five miles each way and that transit time would be increased by approximately seven minutes in each direction. However, the cost of this additional distance moved and added transit time would be more than offset by greater handling efficiencies that would be available at the new facilities.

The engineers, in estimating the handling costs, assumed the use of vehicles of a 12-ton capacity and concluded that the overall handling cost would approximate 40 cents per ton on coal received at the new facility. This compares with a present handling cost of 45 cents per ton at the present facilities based on an average load of five tons.

Although V.P.I. does not presently own any large capacity trucks, it is studying the feasibility of purchasing one or more such trucks and also of inviting bids by independent contractors for the transportation of its coal requirements from the proposed railhead to its storage area. A cost of 40 cents per ton for the handling of coal from the new railhead is considered by V.P.I. to be a reasonable one, and if it could not contract for hauling at this price, it would perform the

service in its own equipment as it does now at the present facilities. The Finance and Business Manager of V.P.I. indicated that V.P.I. would support applicant's proposal even though the transfer of the railhead to the new location resulted in a nominal increase in handling costs to the University and to other users of applicant's Blacksburg service.

One of the principal retail coal and oil dealers in the Blacksburg area appeared in support of the instant application. He has conducted his coal business in the area for approximately 25 years and in 1963 received approximately 62 cars of coal at the present Blacksburg facilities. His coal yard is located about one and three quarter miles from the present unloading facilities and about eight miles from the site of the proposed facilities. Although this witness originally opposed the proposed abandonment, he is now of the view that, because of the rate reduction that would be available to him at the new facility and the more efficient unloading and transportation services that would also be available, he would be able to operate from the new facilities at about the same cost as at the present Blacksburg facilities. As a consequence he now supports the application because of the benefits he believes will accrue to the Blacksburg community in general and to him in particular as a user of rail service.

This witness pointed out as drawbacks of the present facilities, the downtown traffic congestion, the low clearances under the trestle which restrict the size of equipment which can be used for transporting the coal from the Blacksburg facilities, the out-of-date slide plate gates on the unloading hoppers, and the necessity for using two men to handle the unloading of hopper cars.

In the event of the abandonment, this dealer plans on taking advantage of the higher clearances at the new facilities by acquiring or hiring a truck of 8 or 10-ton capacity, instead of continuing to use his present truck of 5-ton capacity. He also is of the view that it would be to his advantage to lease land from applicant at the new facilities for the purposes of installing truck scales and storing equipment. Under such an arrangement he could unload and weigh the coal at the new facilities and make direct delivery to his customers without handling through his coal yard. Approximately one-half of his shipments could be handled in this manner.

Although this coal dealer utilizes his own truck for unloading coal at Blacksburg, he does make some use of a hired truck. The rate paid for the hired truck is 40 cents a ton and the witness is of the opinion that this rate would not change for transporting a larger

that it would take approximately 15 minutes longer to make a round trip from the new than from the present facilities, it was considered that it would take less time to load a truck at the new facilities, two to three minutes as compared with 10 minutes required at the present facilities.

This dealer's handling costs from the downtown facilities to his coal yard, with his own truck being utilized, are 40 cents a ton. Included are the labor costs for two men utilized in the unloading services. If the railhead is moved as proposed, he expects to save on his labor costs at the new facilities by eliminating one of the men now required for unloading at the present facilities. With this reduction in the labor cost and the 7-cent rate reduction that would then be available, this dealer is of the opinion that he can operate to and from the new facilities with no increase in his present costs.

The only other user of the service in question appearing in support of the application was a retail lumber and building supply dealer located in Blacksburg. In 1963 this firm received 14 cars of gypsum products and 10 carloads of cement. Its place of business is located approximately 150 feet across Clay Street from the aforementioned unloading facilities in downtown Blacksburg. Although this shipper is of the view that the removal of the present railhead from its present location would be an inconvenience to its business and would result in an increase in the company's costs of handling traffic at the new facilities, nevertheless it strongly supports the instant application. It considers that the additional direct cost that would be involved would be more than offset by increased industrial activity in the Blacksburg area which would be reflected in increased business to this dealer. The witness for this dealer also expressed the view that industrial establishments considering new business locations would be more readily attracted to the area by expanding the airport facilities in the manner proposed.

Although there were five or six business establishments in Blacksburg which were initially in opposition to the support given by the Town Council to applicant's proposal and which filed protests with the Commission against the proposed abandonment, the only appearance made at the hearing in opposition to the application was a retail coal and oil dealer who operates a coal yard located approximately 0.3 mile from the present unloading facilities in Blacksburg. This dealer is strongly opposed to approval of the application because of a belief that he would incur additional operating costs and his customers would receive inferior service

if he were required to receive his coal at the proposed terminal facilities which would be some five or six miles more distant from the present coal terminal facilities.

This witness bases his claim on a quotation given him by an individual in Blacksburg as to a price on delivering his coal to his yard from the present railhead and also from the proposed facilities. According to the witness, the price quoted was 50 cents a ton from the present railhead and \$1.25 a ton from the proposed facility for deliveries in 5-ton trucks. No attempt was made to obtain a price from someone having a larger capacity vehicle than a 5-ton truck.

This dealer does not now hire any trucks but takes delivery of his coal shipments in his own 5-ton trucks at the Blacksburg unloading chutes and either delivers the coal directly from the rail car to the customers' bins or to his coal yard, a short distance from the unloading facilities. Although there was no indication of the percentage of the shipments which have moved from the car to the customer without being placed in the yard, it was established that most deliveries are made in that manner. In all instances, however, all deliveries from rail car to customers' bins, other than those destined to Montgomery County Schools, move over the dealer's scales where each shipment is weighed and an appropriate weight ticket is prepared. Out of the 74 carloads of coal received by this dealer in 1963, approximately 20 percent of the tonnage was delivered under contract to the Montgomery County School system. There was no indication of the amount of coal which this dealer stores in his coal yard at any particular period of the year.

This protestant has made no study to determine his present cost per ton to unload his coal shipments at the present facilities and to deliver them to his customers or his yard. His only basis for his claim that the cost would be increased by being required to use the proposed facilities is the single quotation obtained from the aforementioned individual in Blacksburg and the fact that he would have to travel the distance between his present yard and the new facilities in the Christiansburg area.

In seeking the aforementioned quotation, this protestant only sought prices per ton when delivered in 5-ton trucks from both the present and proposed railhead. This protestant gave no consideration to the obtaining of quotations on deliveries made in larger capacity trucks and, because of the expense involved, had not seriously considered the acquisition of larger capacity equipment to take advantage of the higher clearances that would be available at the new unloading



This coal dealer insists upon all deliveries to be weighed on his scales and, when inquiry was made as to the feasibility of installing truck scales at the new facilities so that deliveries could be made directly to the customers without the necessity of returning to the coal yard, he indicated an unwillingness to impose upon the truck drivers the responsibility of weighing each load and of serving the customers satisfactorily. He believes that he would not only have the added expense of installing scales at the new facilities but also that he would be required to station an employee at the scales and make him responsible for weighing each load and rendering service to the customers. It was protestant's view that such an arrangement would result in increased costs, in less efficient service to his customers, and in a detriment to his business. He has no objection to the unloading facilities presently provided in Blacksburg and is of the opinion that service within the Town should continue as at present.

Applicant does not anticipate any loss of freight traffic by reason of shifting the railhead to the new area and expects to handle all of its existing Blacksburg traffic over the new team track and bulk

constitute the sole and proper basis for evaluation of the issue of public convenience and necessity involved herein; and that, when such interests are considered herein, it must be concluded that the continued operation of the segment would not constitute a burden on interstate commerce and that the public convenience and necessity will not permit the abandonment proposed.

The gist of protestants' contentions is that, in a determination of the issues herein, no consideration may be given to public benefits to be derived from the proposed abandonment other than from a strictly transportation standpoint. Such contention has heretofore been made in other abandonment proceedings and has been found to be without merit. See Lehigh Valley R. Co. Abandonment, 290 I.C.C. 427, 433. See also Purcell v. United States, 315 U. S. 381. However, even if protestants' contention were considered to be meritorious and the issue herein were determined solely on the basis of the effect the instant proposal would have upon the shipping public, there is a clear showing of the benefits that will accrue to the shipping public in general from approval of the proposals in question and only a modicum of evidence tending to indicate any detrimental affects upon any segment of the public. Considered in its entirety, the record warrants the conclusion that the principal users of rail service will not be inconvenienced by the instant proposals, will realize benefits therefrom, and will not be deprived of an ability to provide satisfactory service to the Blacksburg community. Also, it is purely speculative whether any of the shippers presently utilizing applicant's service in Blacksburg would be more than inconvenienced by abandoning the segment as proposed and establishing the new facilities at the new railhead. From a strict transportation standpoint, the record justifies the conclusion that the public convenience and necessity will permit the abandonment and the establishment of the new railhead as proposed.

As previously noted herein, the instant proposals would benefit the vast majority of the interests involved, namely, the Blacksburg and V.P.I. communities, a substantial portion of the freight shippers utilizing the service in question, and the railroad itself. Only the one rail user offers any opposition to the instant proposals and that is based upon pure speculation as to possible added costs that would flow from the proposed operating changes. He offers no proof of his contentions and his claims are fully contradicted by the evidence of other receivers of coal who have studied the proposals and have concluded that it would be beneficial, rather than detrimental, to their businesses to have the new facilities available to them at the new railhead.

While it well may be that the coal shipper protesting the application might be inconvenienced to some extent by approval of the instant proposals, it is recognized that inconvenience to some is not an unusual concomitant of a railroad abandonment. Chicago, M. St. P. & P. R. Co. Trustees Abandonment, 228 I.C.C. 467, 477. Furthermore, considering the general aspects of the inconvenience that might be involved, it would not be of such character or magnitude as to warrant denial of the application. See New York Central R. Co. Abandonment, 312 I.C.C. 587, 596.

The issues involved herein are quite similar to those involved in Lehigh Valley R. Co. Abandonment, supra, at least to the extent that it does not involve the usual abandonment case where a carrier seeks authority to abandon an unproductive line as a means of eliminating operating losses, and indicates that the properties in question can be disposed of to the financial advantage of the carrier, certain expenses can be eliminated, and substantially the same service can be given the community in question as at present without detrimentally affecting the public. As herein before noted, the Commission, in approving the Lehigh Valley Abandonment application made it clear that in a section 1(18) proceeding, consideration could be given to public benefits other than from a strictly transportation standpoint.

The issues here are also somewhat similar to those involved in New York Central R. Co. Abandonment, supra, in which the carrier sought and obtained abandonment authority under section 1(18) for the primary purpose of accommodating a community. In that case, the New York Central was granted authority to abandon two segments of its main line in Syracuse, N. Y., in order to make available land for the construction of a modern highway through the City. In granting the authority, the Commission stated:

The record shows clearly that applicant will continue to provide both passenger and freight service to Syracuse and the surrounding area via the Syracuse Junction Branch. The evidence also shows that applicant will derive substantial financial benefits as a result of the proposed abandonment. The achievement of such benefits should not be precluded unless the record discloses inconvenience or other detriment to the public of a character and magnitude sufficient to outweigh anticipated beneficial effects upon interstate commerce.

We conclude that, under the circumstances described, denial of the anticipated financial and other benefits to applicant would impose an undue and unnecessary burden on interstate commerce. Id. at 596.

The same conclusion is warranted here. Applicant would continue to provide adequate service to the Blacksburg community; overall, the community would derive substantial benefits from the abandonment proposed; and such inconvenience or other detriment to the public that might flow from the proposed change in service is certainly not of such a character or magnitude as to outweigh the anticipated beneficial effects upon interstate commerce. Under such circumstances, it must be concluded that denial of the anticipated financial and other benefits which the record shows would flow to applicant from the instant proposals would impose an undue and unnecessary burden on interstate commerce. Further, that the abandonment proposed should be authorized, but subject to the condition that substitute facilities are provided at the new railhead and in accordance with the representations made on the record herein.

Notwithstanding the absence of any evidence respecting the extent to which any employees of applicant might be adversely affected by approval of the instant transactions, in view of the mutual agreement by applicant and the representative of the employees involved to have any certificate or order herein made subject to the conditions prescribed in Chicago B. & Q. R. Co. Abandonment, supra, as the means of providing adequate protection for all employees of applicant adversely affected by the proposed abandonment, the certificate and order hereinafter entered will include by reference the conditions prescribed in the case cited.

#### ULTIMATE FINDINGS, AND CERTIFICATE AND ORDER

Subject to the condition referred to for the protection of employees, and with respect to the providing of substitute facilities at the new railhead, the examiner finds that the present and future public convenience and necessity permit abandonment by the Norfolk and Western Railway Company of that portion of its Blacksburg Branch line of railroad extending between Milepost C-3.73, near Christiansburg, Va., and Milepost C-8.90 in Blacksburg, Va.

Premises considered, it is the CERTIFICATE AND ORDER of the examiner that:

Subject to the proposed conditions for the

abandonment by the Norfolk and Western Railway Company of that portion of its Blacksburg Branch line of railroad extending between Milepost C-3.73, near Christiansburg, Va., and Milepost C-8.90 in Blacksburg, Va.

The tariffs applicable to the line herein permitted to be abandoned may be canceled on or after the effective date hereof upon notice to the Commission and to the general public by not less than 10 days' filing and posting in the manner prescribed in section 6 of the Interstate Commerce Act.

If the authority herein granted is exercised, Norfolk and Western Railway Company shall submit for consideration and approval, two copies of the journal entries showing the retirement from service of the line abandoned.

When filing schedules canceling tariffs applicable to the line described herein, Norfolk and Western Railway Company, in such schedules, shall refer to this certificate and order by date and docket number.

The authority herein granted shall not be exercised prior to the date of service of an order adopting this certificate and order as the certificate and order of the Commission, or a notice stating that it has become the certificate and order of the Commission.

If the authority granted in this certificate and order is not exercised within one year from its effective date, it shall be of no further force and effect.

By the Commission, Lester R. Conley, Hearing Examiner.

Dated at Washington, D. C., this 1st day of October, A. D. 1964.

HAROLD D. McCOY,

(SEAL)

Secretary.