

Although the power of the state in this respect is not unlimited, and an “arbitrary” and “unreasonable” imposition on these businesses may be set aside, the Court’s modern approach to substantive due process analysis makes this possibility far less likely than it once was. For instance, a 1935 case invalidated a requirement that railroads share 50% of the cost of grade separation, irrespective of the value of such improvements to the railroad, suggesting that railroads could not be required to subsidize competitive transportation modes.<sup>202</sup> But in 1953 the Court distinguished this case, ruling that the costs of grade separation improvements need not be allocated solely on the basis of benefits that would accrue to railroad property.<sup>203</sup> Although the Court cautioned that “allocation of costs must be fair and reasonable,” it was deferential to local governmental decisions, stating that, in the exercise of the police power to meet transportation, safety, and convenience needs of a growing community, “the cost of such improvements *may be* allocated all to the railroads.”<sup>204</sup>

**Compellable Services.**—A state may require that common carriers such as railroads provide services in a manner suitable for the convenience of the communities they serve.<sup>205</sup> Similarly, a primary duty of a public utility is to serve all those who desire the service it renders, and so it follows that a company cannot pick and choose to serve only those portions of its territory that it finds most profitable. Therefore, compelling a gas company to continue serving specified cities as long as it continues to do business in other parts of the state does not constitute an unconstitutional depriva-

<sup>202</sup> *Nashville, C. & St. L. Ry. v. Walters*, 294 U.S. 405 (1935). See also *Lehigh Valley R.R. v. Commissioners*, 278 U.S. 24, 35 (1928) (upholding imposition of grade crossing costs on a railroad although “near the line of reasonableness,” and reiterating that “unreasonably extravagant” requirements would be struck down).

<sup>203</sup> *Atchison, T. & S.F. Ry. v. Public Util. Comm’n*, 346 U.S. 346 (1953).

<sup>204</sup> 346 U.S. at 352.

<sup>205</sup> *Atchison, T. & S. F. Ry. v. Public Utility Comm’n*, 346 U.S. at 394–95 (1953). See *Minneapolis & St. L. R.R. v. Minnesota*, 193 U.S. 53 (1904) (obligation to establish stations at places convenient for patrons); *Gladson v. Minnesota*, 166 U.S. 427 (1897) (obligation to stop all their intrastate trains at county seats); *Missouri Pac. Ry. v. Kansas*, 216 U.S. 262 (1910) (obligation to run a regular passenger train instead of a mixed passenger and freight train); *Chesapeake & Ohio Ry. v. Public Serv. Comm’n*, 242 U.S. 603 (1917) (obligation to furnish passenger service on a branch line previously devoted exclusively to carrying freight); *Lake Erie & W.R.R. v. Public Util. Comm’n*, 249 U.S. 422 (1919) (obligation to restore a siding used principally by a particular plant but available generally as a public track, and to continue, even though not profitable by itself, a sidetrack); *Western & Atlantic R.R. v. Public Comm’n*, 267 U.S. 493 (1925) (same); *Alton R.R. v. Illinois Commerce Comm’n*, 305 U.S. 548 (1939) (obligation for upkeep of a switch track leading from its main line to industrial plants.). But see *Missouri Pacific Ry. v. Nebraska*, 217 U.S. 196 (1910) (requirement, without indemnification, to install switches on the application of owners of grain elevators erected on right-of-way held void).