

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
J. E. CASEY for a certificate of
public convenience and necessity
authorizing the extension of his
package delivery system now operated
under fictitious name of United Ex-
press Service.

Application No. 8975

R. L. Chesebro for Applicant.
W. E. Libby and E. N. Blair for
Triangle-Orange County Express, Protestant.
Kidd and Hardy, by E.W. Kidd, for Keystone
Express and Motor Transit Company, Protestants.
C. W. Cornell and A. E. Norrbom for Pacific
Electric Railway, Protestant.
F. M. Leake for American Railway Express,
Protestant.

BY THE COMMISSION:

O P I N I O N

J. E. Casey, operating under the fictitious name of the United Express Service, has made application to the Railroad Commission for a certificate of public convenience and necessity to extend the operation of this business over certain routes east and southeast of Los Angeles.

A public hearing herein was conducted by Examiner Williams at Los Angeles, at which time the matter was duly submitted and now is ready for decision.

Applicant is the sole proprietor of the United Express Service and is a stockholder and general manager of the United Parcel Delivery. These services are alike in general character, except that the Express Service delivers packages not in excess of 100 pounds almost exclusively for wholesalers, while the United Parcel Delivery performs a similar service, mostly for retailers, of packages not to exceed 50 pounds. The businesses are conducted

in the same establishment and the overhead of both is largely the same. In addition, in the same premises, the United Parcel Service conducts a local pick-up in the City of Los Angeles for delivery within the City of Los Angeles. Thus the three operations are conducted under the same roof and practically by the same management.

Applicant proposes to extend the service of the United Parcel Delivery, formerly known as Meiklejohn's Delivery, over two routes set forth in Exhibit "B", attached to the application, one of which is a loop from Alhambra eastward to Ontario by way of the Valley Boulevard, and returning by way of the Foothill Boulevard to Lamanda Park. Applicant already serves Alhambra and Lamanda Park (now a part of the City of Pasadena). Route No. 2 begins at Belvedere Gardens, proceeding over Whittier Boulevard to Santa Ana, and returning by way of Garden Grove and Downey to Maywood and Huntington Park. Applicant proposes to serve all intermediate points and to make deliveries on either side of the route to a distance of five miles.

Applicant proposes to apply the same rates to the proposed service that are now charged for all other services of the United Express Delivery, which is 1 cent a pound plus 9 cents on each parcel. This peculiar rate has been found satisfactory by applicant for the reason that the business is a one-way delivery service and functions generally in the same manner as the parcel post. Applicant proposes to make re-deliveries and return of undelivered packages without charge. Applicant extends daily pick-up service once or twice daily, upon a guarantee by the shipper of business to the extent of \$6.00 per week.

In support of the necessity for the extension of such service, applicant produced eight witnesses, all of whom are engaged in wholesale business and who have used the service of applicant in other fields. Each testified that he believed the extension of the

service necessary for his shipping purposes, on the general theory that as applicant visits their places to pick up deliveries at many points, it would be convenient and is almost necessary for the shippers to be able to assemble all their deliveries for one carrier and not many; and further because in each case the witnesses indicated a particular need for deliveries along the routes specified by applicant.

J. E. Casey, applicant, under examination testified that the United Express Service is now using 11 vehicles and serving about 150 shippers, and that the business is almost wholly small packages. He testified that a record of shipments for one week just prior to the hearing had shown that 73% of the packages handled were 16 pounds or under, and that the average package was about 8 pounds. A computation of the income per package on this week's business showed the average to be 23 cents to 25 cents per package. Applicant testified that he was frequently offered packages for delivery at the places indicated on the routes specified in the application, and that it was this demand from his shippers that had led him to make application. Applicant explained that he believed the extension of service to be an accommodation to the shippers because it would enable them to use one carrier and one pick-up for all their deliveries and as the business was a one-way delivery service it would not affect the business now conducted by other common carriers.

The application was opposed by the Triangle-Orange County and Santa Ana Express, the Keystone Express, the Motor Transit Company, Pacific Electric Railway, and the American Railway Express, each serving large portions of the routes specified in the application. Protestants produced seven witnesses, shippers who testified as to the adequacy of protestants' services for the shipments being made by the witnesses, and the good character of service by each. Testimony

from protestants showed that each of the protestants except the Motor Transit Company and Pacific Electric Railway pick up, on call, parcels and packages over very large zones in the business are of Los Angeles, and that such pick-up service is, in the main, generally efficient. It was the testimony of L. R. Kagarise, proprietor of the Keystone Express, that 60 to 70 per cent of his shipments are picked up at the present time are under 50 pounds. He further testified that his facilities were such that he could collect or receive and deliver 10 tons daily additional.

S. B. Cowan, proprietor of the Triangle-Orange County Express, testified that the average weight of shipments over his line is approximately 150 pounds and that 82 per cent of the shipments are under 100 pounds (the maximum amount proposed to be accepted by applicant). Witness testified that his pick-up service is maintained especially for the benefit of the small shippers and wherever the shipper indicates a daily need the pick-up is made without special call and as a regular practice. Protestant American Railway Express has from one to four pick-ups daily, according to the volume of business of the shipper, and is always available on call or signal.

Protestant Motor Transit Company maintains no pick-up service but receives express at its terminal in Los Angeles, delivery to which must be made by the shipper. This service is almost hourly to many of the points along the routes specified by applicant. Protestant Pacific Electric Railway maintains no pick-up and receives freight at its depot in Los Angeles, delivering the same at its stations or sidings where it may be picked up by consignees.

In addition to the testimony of witnesses, protestants filed exhibits showing that the bulk of the business done by them is less than 100 pounds. About 90 per cent of the business of Motor Transit

Company between Los Angeles and points served by it along the route proposed by applicant, is under 100 pounds gross, and of this quantity three-fourths is 20 pounds or less. An exhibit filed by protestant Keystone Express shows that 66 per cent of its shipments during May, 1923, were not to exceed 50 cents minimum charged on shipments of 50 pounds or less.

It will thus be seen that applicant proposes to duplicate delivery systems already established and the bulk of whose traffic is within the range of weight to which he limits his proffer and to points he seeks to serve. It is apparent that a certificate granted to him would enable him to seriously compete with the service already established by the carriers Keystone Express, Triangle-Orange County Express, and Motor Transit Company, undoubtedly to their loss of revenue and deterioration of service. As against this injury to the established carriers, applicant offers to shippers the "guaranteed" pick-up at a minimum of \$6.00 per week in Los Angeles and a delivery five miles on either side of the routes, neither of which is given by the carriers already in the field.

Applicants and protestants introduced a large quantity of testimony relating to the involved nature of the operations of the United Express Service and the United Parcel Delivery, together with the pick-up and delivery service within the City of Los Angeles. The testimony showed generally that the three operations worked harmoniously in that there is pick-up for each other and transfer at the establishment where all three are housed, where weight requires a transfer or where it is in territory served by one of the carriers and not by the other. In addition it was shown that applicant has made special trips to various points not included in any certificate possessed by it, such points being served by

one or more of the protesting carriers. It is not clear, however, that these acts on the part of applicant and the United Parcel Delivery are inconsistent with the proper relationship existing between common carriers, except in the matter of special trips, which seem to have been made under the impression that such trips may be made as a non-utility service to points where the applicant has no certificate to operate upon demand of a shipper, some of the points being those applied for in the present proceeding.

Considering all the testimony adduced at the hearings we are of the opinion, and basing our finding upon the testimony referred to, we find that public convenience and necessity do not require the extension of the service as proposed by applicant, and that therefore the application herein should be denied.

O R D E R

J. E. Casey, having made application to the Railroad Commission for a certificate of public convenience and necessity authorizing the extension of his package delivery system now operated under fictitious name of United Express Service, a public hearing having been held, and the matter having been duly submitted and now being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity do not require the service as proposed by applicant and that the application herein be and the same hereby is denied.

Dated at San Francisco, California, this 13th day of

October, 1923.

C. A. Casey

Dwight Masten

J. E. Casey
Commissioners.