

Decision No. 31889.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Increases in
Express Rates and Charges and
Modification of the Express
Rate Structure.

} Application No. 22204

BY THE COMMISSION:

OPINION AND ORDER

ORIGINAL

In this application, Railway Express Agency, Inc., an express corporation, seeks authority to revise its intrastate rate structure to the same extent and in the same degree and manner as was recently authorized by the Interstate Commerce Commission in Ex Parte No. 126, Express Rates, 1938-1939, decided February 6, 1939 in connection with its interstate rate structure.¹ Applicant asks that the resulting increases in rates be found justified under Section 63 of the Public Utilities Act, that general relief from the provisions of Section 24 (a) of the Public Utilities Act be given, and that the revised rates be permitted to become effective on less than the thirty days' notice required by Section 15 of the Public Utilities Act.

In support of the application it is alleged that applicant's present intrastate rates are based on conditions existing prior to 1925, that operating expenses have increased since that time and that the increases and other rate changes proposed are

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In general, applicant was authorized by the Interstate Commerce Commission to increase by 10 per cent its class rates applicable to shipments weighing 100 pounds or more, its less-carload commodity rates and its carload commodity rates, with the exception of carload commodity rates applying on fresh fruit and vegetables. The carload rates on the excepted commodities were permitted to be increased 5 per cent, maximum 15 cents per 100 pounds. Also, applicant was authorized to reduce its so-called graduated charges applicable to packages weighing less than 100 pounds.

designed to yield the additional revenues necessary to meet such increased costs. It is further alleged that the conditions found to justify changes in the interstate rate structure exist equally in connection with transportation within California, that the modification of the intrastate rate structure is necessary in order to bring about a uniform basis of interstate and intrastate rates, and that it will prevent and avoid undue and unreasonable discrimination against interstate commerce and undue prejudice against shippers and localities engaged in interstate commerce. It is pointed out that the Interstate Commerce Commission conducted extensive hearings throughout the country, sessions being held at San Francisco, Calif., Salt Lake City, Utah, Birmingham, Ala., Chicago, Ill., New York, N.Y., and Washington, D.C., that a cooperating committee of state commissioners participated in the hearings under the cooperative plan contemplated by Section 13 (3) of the Interstate Commerce Act, that this Commission has been furnished with a copy of the transcript and exhibits of the proceeding before the Interstate Commerce Commission, and that it has in its files the annual reports of applicant.

In view of the record made by applicant before the Interstate Commerce Commission, of the findings and conclusions reached by that Commission,² and of the general agreement in such findings and conclusions by the cooperating committee of state commissioners, this does not appear to be a matter in which a public hearing is necessary. Applicant will be permitted to increase its intrastate rates to the same extent and in the same degree and manner as was

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The Interstate Commerce Commission found: "It has been amply shown that there has been an increase in the total cost of performing express transportation in recent years, and more particularly since the latter part of 1937.***It is therefore logical to authorize an increase in express rates ***for the purpose of providing revenues adequate for the maintenance of express service ***. ***We are therefore of the opinion that the proposed increased rates have been justified."

authorized by the Interstate Commerce Commission. In so doing it should be emphasized (1) that this is a revenue proceeding; (2) that we are not called upon nor do we pass upon the reasonableness of individual rates; and (3) that any shipper or group of shippers may properly challenge the reasonableness or lawfulness of any individual rate herein authorized.

Applicant does not require authority to publish reduced rates except to the extent that such rates may be lower than rates heretofore established by the Commission as minimum in outstanding minimum rate orders. No justification for maintaining rates lower than those prescribed in such outstanding orders has been shown nor does it appear that the proposal will produce rates lower than the prescribed rates.

Applicant will be granted permission to file and make effective upon one (1) day's notice to the Commission and the public the increases and reductions in its intrastate rate structure herein authorized, and to make such departures from the provisions of Section 24 (a) of the Public Utilities Act as are necessary to the establishment of the authority herein granted.

Before accepting the benefits of this order and before filing the rates authorized herein, applicant will be required to agree that it will never urge before this Commission, in any reparation proceeding under Section 71 of the Public Utilities Act or in any other proceeding, that the opinion and order herein has found that any individual rate authorized is reasonable..

Therefore, good cause appearing,

IT IS HEREBY ORDERED that Railway Express Agency, Inc. be and it is hereby authorized to increase rates for the transportation of property within California to the same extent as authorized by the Interstate Commerce Commission in its Docket Ex Parte 126, decided February 6, 1939, subject to the exceptions specified in that decision.

IT IS HEREBY FURTHER ORDERED that Railway Express Agency, Inc. be and it is hereby authorized to file the changed basis of rates sought to be established by this application on not less than one (1) day's notice to the Commission and the public.

IT IS HEREBY FURTHER ORDERED that applicant be and it is hereby authorized to depart from the provisions of Section 24 (a) of the Public Utilities Act to the extent necessary to effect the changes herein authorized.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is subject to the express condition that Railway Express Agency, Inc. will never urge before this Commission, in any proceeding under Section 71 of the Public Utilities Act, or in any other proceeding, that the opinion or order herein constitutes a finding of fact of the reasonableness of any particular rate; and that filing of rates pursuant to the authority herein granted will be construed as consent by Railway Express Agency, Inc. to this condition.

The authority herein granted shall be void unless the rates and charges are published and made effective not later than sixty (60) days from the effective date hereof.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 4th day of April, 1939.

Paul W. ...
Francis ...

Justice F. ...