

35576

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of RAILWAY EXPRESS AGENCY, INCORPORATED for certificate of public convenience and necessity for the transportation of property by motor truck between Burbank (Lockheed Air Terminal), on the one hand, and Los Angeles on the other hand; and other points as named herein in Southern California; and between San Francisco, on the one hand, and San Francisco Airport (Mills Field), on the other hand, serving also South San Francisco and San Bruno.

ORIGINAL

Application No. 25649

BY THE COMMISSION:

OPINION

In this proceeding Railway Express Agency, Incorporated, (a Delaware corporation) operating as an express corporation, as defined by Section 2(k), Public Utilities Act, seeks a certificate of public convenience and necessity, under Section 50-3/4 of that Act, authorizing operation as a highway common carrier:

- (a) Between Burbank (Lockheed Air Terminal) on the one hand, and Santa Monica, on the other hand, serving also Glendale, Los Angeles, Beverly Hills, Culver City, West Los Angeles; and
- (b) Between San Francisco Airport (Mills Field), on the one hand, and San Francisco, on the other hand, serving also South San Francisco and San Bruno, and industrial and aircraft industries southeast along the Bay Shore Highway about 3/4 of a mile to and including South San Francisco Airport.

Applicant, it is alleged, now conducts an air express service to and from the airports at Burbank and Mills Field, among other points. To facilitate the receipt and distribution of express traffic to and from these terminals, applicant proposes to conduct a motor truck service that would be coordinated with the air

flight schedules of the various air lines operating as underlying carriers for applicant. The greater part of this traffic, comprising approximately 95 per cent, is interstate in character; the balance moves in intrastate commerce. There is a substantial volume of express moving by air, all of which requires expedited handling. The traffic includes articles of high value, perishables, seasonal merchandise and samples, motion picture films and parts (new, repaired and for repair purposes) for machines, motor vehicles, tractors and airplanes, as well as priority shipments of commodities essential to the war effort.

In the southern area, applicant proposes to serve, in addition to Los Angeles itself, the communities of Beverly Hills, Culver City, Glendale, Santa Monica and West Los Angeles; and in the north it would serve, in addition to San Francisco, the cities of San Bruno and South San Francisco, as well as industrial and aircraft plants reached by the Bayshore highway. Throughout these areas, the Los Angeles and the San Francisco rates, respectively, would be applied. A daily service offering 13 and 15 separate trips in the northern and the southern areas, respectively, would be provided, but because of the failure of planes to arrive on time, and due to constant changes in airplane flight schedules, no regular time schedules could be observed. Applicant has sufficient equipment to provide an adequate service.

The service furnished by the common carriers now operating within these areas, it is alleged, does not meet the requirements of this traffic. Assertedly, the schedules of the motor carriers are designed to accommodate their own traffic generally, and are keyed to the needs of the communities which they serve and the rail passenger service now partially used to provide through service, so

applicant states, cannot be coordinated with air flight operations, nor are the schedules offered of sufficient frequency to handle the air express traffic adequately.

In our judgment a public need exists for the establishment of this service, and the application, accordingly, will be granted. This is not a matter in which a public hearing is required.

Railway Express Agency, Incorporated, a Delaware corporation, is placed upon notice that "operative rights" as such do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State which is not in any respect limited to the number of rights which may be given.

O R D E R

Application having been made as above entitled; and the Commission now finding that public convenience and necessity so require:

IT IS ORDERED as follows:

(1) That a certificate of public convenience and necessity be and it hereby is granted to Railway Express Agency, Incorporated, a Delaware corporation, authorizing the establishment and operation of a service as a highway common carrier, as defined by Section 2-3/4 Public Utilities Act,

- (a) Between Burbank (Lockheed Air Terminal), on the one hand, and Santa Monica, on the other hand, serving also Glendale, Los Angeles, Beverly Hills, Culver City, West Los Angeles; and
- (b) Between San Francisco Airport (Mills Field), on the one hand, and San Francisco, on the other hand, serving also South San Francisco and San Bruno, and industrial and aircraft industries southeast along the Bay Shore Highway about 3/4 of a mile to and including South San Francisco Airport.

Said certificate is granted subject to the following limitation:

Applicant's service shall be limited to the transportation of express traffic moving in the custody of Railway Express Agency, Incorporated, under through bills of lading or express receipts, and said traffic shall receive, in addition to the highway carrier movement by applicant, an immediately prior or subsequent movement by aerial transportation facilities.

Said certificate is granted subject to the following condition:

The authority herein granted is subject to the provisions of Section 52(b) of the Public Utilities Act and further to the condition that Railway Express Agency, Incorporated, a Delaware corporation, its successors or assigns, shall never claim before this Commission, or any court or other public body, a value for said operative rights or claim as the cost thereof, an amount in excess of that paid to the State as the consideration for such rights.

(2) That in the operation of highway common carrier service as herein authorized, applicant shall comply with and observe the following service regulations:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty (30) days from the effective date hereof.

2. Applicant shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, tariffs and time schedules satisfactory to the Commission within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify them at any time by further order, conduct said highway common carrier operations over and along the following routes:

SAN FRANCISCO-SAN FRANCISCO AIRPORT-SOUTH SAN FRANCISCO-SAN BRUNO

From Pier 14, San Francisco, via various streets and avenues within the City and County of San Francisco to the intersection of Third Street and the Bayshore By-Pass of U.S. Highway No. 101, thence via U.S. Highway No. 101 to the San Francisco Airport and return via the same route, diverging at San Bruno Avenue .9 of a mile to the Railway Express Agency office located at San Bruno, and diverging at Grand Avenue, South San Francisco, .4 of a mile to the Railway Express Agency office at South San Francisco.

LOS ANGELES - BURBANK

- Route 1 - Between Los Angeles Union Passenger Terminal, Los Angeles and Lockheed Air Terminal, Burbank, via various streets and avenues within the city of Los Angeles to the intersection of Figueroa Street and Riverside Drive, thence via Riverside Drive, Victory Boulevard, and Hollywood Way.
- Route 2 - Between Los Angeles Union Passenger Terminal, Los Angeles, and Lockheed Air Terminal, Burbank, via Railway Express Agency Office at 6611 Santa Monica Boulevard, via Macy Street, Sunset Boulevard, Santa Monica Boulevard, Highland Avenue, Cahuenga Boulevard, Barham Boulevard, and Hollywood Way.
- Route 3 - Between Los Angeles Union Passenger Terminal, Los Angeles, and Lockheed Air Terminal, Burbank, via Railway Express Agency office at 539 No. Brand Boulevard, Glendale, and 320 South San Fernando Road, Burbank, via various streets and avenues within the City of Los Angeles to the intersection of Figueroa Street, and U. S. Highway No. 99, thence U. S. Highway No. 99, Brand Boulevard, Doran Street, U. S. Highway No. 99, Burbank Boulevard, Victory Boulevard and Hollywood Way.

LOS ANGELES - OTHER POINTS IN SOUTHERN CALIFORNIA

Between Railway Express Agency's Hollywood Office, 6611 Santa Monica Boulevard, Los Angeles, and Santa Monica, via Santa Monica Boulevard, to Beverly Hills City Limits, via various streets and avenues in the City of Beverly Hills to the intersection of Wilshire Boulevard and Los Angeles City Limits, thence Wilshire Boulevard, Westwood Boulevard and other streets and avenues in the City of Los Angeles to the intersection of Santa Monica Boulevard with Santa Monica City Limits, thence via various streets and avenues in the City of Santa Monica to the intersection of Lincoln Boulevard and Los Angeles City Limits; various streets and avenues within the City of Los Angeles to the intersection of Venice Boulevard and Culver City City Limits, thence via various streets and avenues within the City of Culver City to the intersection of La Cienega Boulevard and Los Angeles City Limits, thence via various streets and avenues in the City of Los Angeles to 6611 Santa Monica Boulevard.

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

Dated at San Francisco, California, this 31st day
of August, 1943.

Francis D. Havenue

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COMMISSIONERS