

Decision No. 36912**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MERCHANTS PARCEL DELIVERY, a corporation,) Application No. 25975
 for authority to suspend operations)
 under its express operative rights.)

BY THE COMMISSION:

O P I N I O N

In this proceeding Merchants Parcel Delivery, an express corporation, as defined by Section 2(k), Public Utilities Act, seeks authority to suspend the operation of its service for the duration of the present war and six months thereafter. In support of its proposal applicant alleges that its business has diminished to such a degree that it is no longer profitable.

Operating under a grandfather operative right acquired from a previous owner, applicant is engaged, as an express corporation, in the transportation of packages sold at retail, from San Francisco to points situated in the East Bay and along the San Francisco Peninsula. This transfer was authorized by Decision No. 31792, rendered February 27, 1939, in Application No. 22523, where the scope of applicant's operative right was defined as follows:

"(1) for the transportation of packages sold at retail from San Francisco to purchasers at their respective homes, office addresses, or places of employment in (a) Alameda, Albany, Berkeley, El Cerrito, Emeryville, Hayward, Oakland, Piedmont, Richmond, Richmond Annex, San Pablo, San Leandro and Mt. Eden, and (b) in the territory embracing Burlingame, Colma, Daly City, Los Altos, Menlo Park, Mountain View, Palo Alto, Redwood City, San Jose, Santa Clara, Sunnyvale, Woodside and points situated between said points and San Francisco; and (2) for the transportation of packages of merchandise weighing not more than twelve pounds from retail stores in San Francisco to branches of such stores in said destination territory."

From the allegations of the application, and from information submitted by the applicant, it appears that for some months the business has been conducted at a loss. An income statement accompanying the application discloses that during the 10-month period ending October 31, 1943, applicant suffered a net loss from operations⁽¹⁾ amounting to \$32.34. Due assertedly to present wartime restrictions, the volume of traffic has declined so substantially that at present less than fifteen packages per day are handled, on the average, and only twelve customers now remain. Assertedly, the traffic has become so inconsequential as not even to pay the cost of gasoline consumed in performing the pickup service alone. Other transportation agencies are available, so applicant alleges, to accommodate the limited needs of the remaining customers.

Under the circumstances a suspension of applicant's service will be authorized, limited, however, to a period of one year from the effective date of the order. This, we believe, is preferable to an indefinite suspension for the duration of the war. Upon the expiration of the term specified applicant, should the conditions then existing justify such a course, may apply by supplemental application for a further suspension. A public hearing is not required in this matter.

(1) This statement discloses that during the 10-month period extending from January 1 to October 31, 1943, the financial results of applicant's express operation were as follows:

<u>Express Income</u>		\$1,903.30
<u>Express Expense</u>		
Rent	\$ 153.12	
Salaries	267.28	
Delivery Expense	<u>1,515.24</u>	<u>1,935.64</u>
<u>Net Loss from Operations</u>		<u>\$ 32.34</u>

O R D E R

Application having been made as above entitled; and good cause appearing therefor,

IT IS ORDERED as follows:

(1) That Merchants Parcel Delivery, a corporation, be and it hereby is authorized to suspend operation as an express corporation, as defined by Section 2(k), Public Utilities Act, between all points which it is presently authorized to serve under its existing operative rights, until March 15, 1945.

(2) That such period of suspension may be shortened or extended by appropriate order of the Commission, made either upon its own motion or pursuant to supplemental application filed herein.

(3) That Merchants Parcel Delivery shall immediately amend its tariffs on file with the Commission, upon not less than one (1) day's notice to the Commission and to the public, so as to show that its operations have been suspended as authorized herein.

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

Dated at San Francisco, California, this 7th day of March, 1944.

Richard L. Lusk
Justus J. Cooney
Francis R. Havens
Frank O. Clark
Samuel Russell
 COMMISSIONERS