

Decision No. 37204

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE)
RAILWAY EXPRESS AGENCY, INCORPORATED for)
certificate of public convenience and)
necessity for the transportation of)
property by motor truck between Los)
Angeles, and Burbank on the one hand and)
various points in Southern California on)
the other hand, as shown herein.)

ORIGINAL

Application No. 26031

BY THE COMMISSION:

O P I N I O N

In the above entitled application, as amended, Railway Express Agency, Incorporated, (a Delaware corporation) requests a certificate of public convenience and necessity authorizing the establishment and operation of service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act. This service would be operated as auxiliary to, supplemental of and coordinated with applicant's express service by rail or air entering or departing from its rail terminals located at the Los Angeles Union Depot, The Atchison Topeka and Santa Fe Railway Company team tracks at First Street and Santa Fe Avenue, Southern Pacific Company's team tracks at Fourth Street and Central Avenue and applicant's air express terminal located in the Lockheed Air Terminal at Burbank. This service would be provided between the foregoing described points, on the one hand, and the following named points, on the other hand,:

- | | | |
|---------------|-----------------|------------------|
| Alhambra | Hawthorne | San Pedro |
| Bell | Huntington Park | Santa Monica |
| Beverly Hills | Inglewood | South Gate |
| Burbank | Long Beach | South Pasadena |
| Compton | Maywood | Torrance |
| Culver City | Pasadena | Watson |
| El Segundo | San Gabriel | West Los Angeles |
| Glendale | San Marino | Wilmington |

and the following plants

Kaiser-Hughes plant, approximately three miles from Inglewood
Douglas Aircraft plant near Long Beach.

No local traffic would be transported, the proposal being to transport only that traffic having a prior or subsequent movement by rail or air transportation facilities. The authority is sought for the duration of the present war and six months thereafter.

As justification for the authority sought, it is alleged in substance that in order to provide a through rail service between the points proposed to be served, numerous transfers to and from the rail services of Railway Express Agency, Incorporated, are required. It is asserted that the traffic involved is vital to the war emergency and comprises miscellaneous articles including commissary supplies, valuable papers, plans and specifications, repair parts for airplanes and army automotive equipment, castings, rheostats, scientific instruments, precision tools, electric equipment and various parts of motors and propellers for airplanes, parachutes, engines, shipbuilding equipment and baggage for officers and personnel. The application also states that there is a large volume of fresh fish transported via applicant's rail service to and from Long Beach and San Pedro which will be transported as a back-haul. It is further asserted that the train services of Pacific Electric Railway scheduled to depart at particular times of the day are not held for the late arrivals of in-bound express traffic transported by the various rail lines arriving at Los Angeles Union Depot. Such delays would be eliminated through applicant's proposed operation.

According to the application there is a present public need for the establishment of the proposed service for the expeditious handling of shipments directly connected with the war effort.

The duration of such need, however, is not now determinable in that such need is based principally upon military requirements. In view of this circumstance it would appear that no time limitation should be placed upon the certificate herein granted. Instead the matter should be reconsidered upon presentation by applicant or by any competing carrier of a supplemental petition raising the question of the need for continuance of the service after the war emergency has ended.

The Commission has been informed by the principal carriers between the points involved that they do not desire to object to the granting of the application.

This appears to be a matter in which a public hearing is not necessary and the application will be granted.

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

An application having been made as above entitled, and it being hereby found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity is hereby granted to Railway Express Agency, Incorporated, (a Delaware corporation) authorizing the establishment and operation of service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, between the Los Angeles Union Depot, The Atchison Topeka and Santa Fe Railway Company team tracks at First Street and Santa Fe Avenue, Southern Pacific Company's team tracks at Fourth Street and Central Avenue, in Los Angeles, and applicant's air express terminal at Lockheed Air Terminal at Burbank, on the one hand, and the following points, on the other hand, :

Alhambra	Hawthorne	San Pedro
Bell	Huntington Park	Santa Monica
Beverly Hills	Inglewood	South Gate
Burbank	Long Beach	South Pasadena
Compton	Maywood	Torrance
Culver City	Pasadena	Watson
El Segundo	San Gabriel	West Los Angeles
Glendale	San Marino	Wilmington

and the following plants:

Kaiser-Hughes plant, approximately three miles from Inglewood
Douglas Aircraft plant near Long Beach.

(2) That the certificate herein granted is subject to the following condition:

The service herein authorized 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 common carrier movement by applicant, as herein authorized, an immediately prior or immediately subsequent movement by rail or aerial transportation facilities.

(3) That in providing service pursuant to the foregoing certificate the following service regulations shall be observed:

- (a) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed 30 days from the effective date hereof.
- (b) Applicant shall commence the service herein authorized within a period of not exceeding 60 days from the effective date hereof and shall comply with the provisions of the Commission's General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables on not less than 1 day's notice to the Commission and the public.
- (c) Applicant shall, within 60 days from the effective date hereof, submit to the Commission a written description, and a map, delineating routes established between the points certificated by this decision upon receipt of which a supplemental order will be issued defining by service regulation appropriate routes to be used.

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

Dated at San Francisco, California, this 18th
 day of July, 1944.

Richard K. Asher
Justus F. Casper
Frank W. Owen
James H. Powell
 COMMISSIONERS