

Decision No. 37715

**ORIGINAL**

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 under Section )  
 50-3/4 of the Public Utilities Act of ) Application No. 26443  
 California, between Long Beach on the )  
 one hand and Seal Beach and certain )  
 contiguous area on the other hand; and )  
 for other authorities as shown herein. )

BY THE COMMISSION:

O P I N I O N

In the above entitled application Railway Express Agency, Incorporated (a Delaware corporation), requests certificates authorizing the establishment and operation of service (a) as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, between Long Beach, on the one hand, and Los Angeles Port of Embarkation Warehouses, on the Pacific Coast Highway, United States Naval Hospital, near the junction of Bellflower Boulevard and 7th Street, and Seal Beach, on the other hand; and (b) as an express corporation, as defined in Section 2(k) of the Public Utilities Act, between Long Beach, on the one hand, and the Los Angeles Port of Embarkation Warehouses, near the Pacific Coast Highway, and the United States Naval Hospital, near the junction of Bellflower Boulevard and 7th Street, on the other hand. It also seeks authority to publish rates for the transportation of express shipments from and to the points involved of the same volume and effect as apply from and to Long Beach. The highway common carrier service would be confined exclusively to the handling of applicant's express traffic. According to the application, the highway common carrier service

would be conducted auxiliary to and supplemental of applicant's rail and air express service and coordinated with service presently rendered to and from Long Beach. No local traffic would be transported between Long Beach and Seal Beach.

In support of the establishment of the proposed services applicant states that a more economical and efficient handling of traffic will ensue from the method of operation proposed; that the new territory proposed to be served will meet the demands of merchants and residents; that there is a considerable volume of intrastate and interstate interline traffic requiring the continuation of and the extension of service as proposed; and, that the new area sought to be included should be accorded the benefit of the same rates, as now published, as there are no circumstances which justify different rates.

Under the circumstances it appears that this is a matter in which a public hearing is not necessary and that a public need exists for the establishment of the proposed service. Therefore, 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 a service as a highway common carrier, as defined in Section 2-3/4 of the Public Utilities Act, between Long Beach, on the one hand, and Los Angeles Port of Embarkation Warehouses on Pacific Coast Highway (about 1/5 mile westerly of the boundary line of Long Beach), United States Naval Hospital (near the junction of Bellflower Boulevard and 7th Street), and Seal Beach, on the other hand, subject to the following conditions:

The service herein authorized shall be limited to the transportation of express traffic moving in the custody of Railway Express Agency, Incorporated (a Delaware corporation), 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 an immediately subsequent movement by rail or aerial transportation facilities.

(2) That a certificate of public convenience and necessity be and it is hereby granted to Railway Express Agency, Incorporated (a Delaware corporation), authorizing the establishment and operation of service as an express corporation, as defined in Section 2(k) of the Public Utilities Act, between Long Beach, on the one hand, and Los Angeles Port of Embarkation Warehouses on Pacific Coast Highway (about 1/5 mile westerly of the boundary line of Long

Beach), and the United States Naval Hospital (near the junction of Bellflower Boulevard and 7th Street), on the other hand.

(3) That in the operation of service as an express corporation as herein authorized, Railway Express Agency, Incorporated (a Delaware corporation), is hereby authorized to apply and make effective for the transportation of property to and from Los Angeles Port of Embarkation Warehouses, United States Naval Hospital and Seal Beach, rates which shall be published and maintained at a level identical with those currently in effect and applicable to the transportation of like property to and from Long Beach.

(4) That in providing service pursuant to the foregoing certificates, the following service regulations shall be observed:

1. Applicant shall file a written acceptance of the certificates herein granted within a period of not to exceed 30 days from the effective date hereof.
2. 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 Tariff Circular No. 2, General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, tariffs and time tables satisfactory to the Commission on not less than 1 day's notice to the Commission and the public.
3. Subject to the authority of this Commission to change or modify such at any time by further order, applicant shall conduct said highway common carrier operation over and along the most appropriate route or routes.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of March, 1945.

Harold Rudman  
Justin F. Casper  
Richard Kachis  
Franklin  
James Lawrence  
 COMMISSIONERS