

Decision No. 52478**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAILWAY EXPRESS AGENCY,)
 INCORPORATED, a corporation, for authority)
 to change certain classification provisions) Application No. 37047
 applying to rail express service within the)
 State of California.)

Pillsbury, Madison and Sutro, by Eugene M. Prince,
Noel Dyer and Dudley A. Zinke; for applicant.
 Arlo D. Poe and J. C. Kaspar, for California Trucking
 Associations, Inc., interested party.
Cyril M. Saroyan and John W. Mallory, for the
 Commission's staff.

O P I N I O N

Railway Express Agency, Incorporated, is an express corporation operating over the lines of railroads and other common carriers. By this application, it seeks authority, under Section 454 of the Public Utilities Code, to make changes in certain of its classification provisions which will result in increased charges between points in California.

Public hearing of the application was held on October 14, 1955 at San Francisco before Examiner Carter R. Bishop.

Applicant proposes to make applicable on California intrastate traffic the provisions of Supplements Nos. 14, 21, 23 and 24 of its Official Express Classification No. 35¹, which supplements now apply on interstate traffic throughout the United States² and on intrastate traffic within most of the

1 Applicant proposes to file the supplements in question as appropriately numbered supplements to its tariff Cal. P.U.C. No. 224, concurrently canceling Supplements Nos. 3, 5 and 6 thereto.

2 These supplements became effective on interstate traffic as follows: Supplement No. 14 on November 28, 1953; Supplement No. 21 on November 27, 1954; and Supplements Nos. 23 and 24, on February 12, 1955.

states.³ The 22 classification items and rules which are embraced in the instant application reflect all the increases involved in the above-mentioned tariff supplements.⁴

Testimony and exhibits in support of the application were offered by applicant's regional traffic manager. The proposed adjustment, he explained, includes higher classification ratings for certain commodities, increases in specific charges for various services rendered by applicant, increases in certain minimum charges, and revision of a rule governing prepayment of charges.

The commodities affected by the proposed changes in classification ratings fall into three groups. The first group consists of certain articles which exceed 16 feet in length.⁵ Applicant proposes to increase the rating applicable thereto from first class to double first class. According to the witness, the higher ratings are justified by the difficulty encountered in loading and unloading, and the care which must be exercised in handling and transporting these long articles.⁶ He asserted that

3 According to the record, the provisions of the above-mentioned supplements now apply on intrastate traffic in all states except Mississippi, Louisiana, Texas, North Dakota, Montana and California.

4 Adoption of the supplement on California intrastate traffic would also entail 23 reductions and 24 changes resulting in neither increases nor reductions. No authority is required to make these changes on regular statutory notice.

5 The articles included in this group are scenery or drop curtains, motion picture screens and metal articles not otherwise specified.

6 In this connection the traffic manager pointed out that the maximum length of the vans utilized by applicant in rendering pick-up and delivery service in California is 16 feet.

the sought rating is the same as that now applicable to other articles of excessive length.

The second group of commodities, for which higher ratings ranging from first class to double first class are sought, embraces certain articles of unusually low density.⁷ The record indicates that the proposed ratings are the same as those now applicable to other articles having similar transportation characteristics. In the third group are certain commodities which, because of their shape or form of shipment or the manner in which they are packed, are susceptible to damage or to damaging other articles, or are difficult to load and unload.⁸ The ratings sought for this group range from one and one-half times first class to three times first class.

The charges for various services rendered by applicant, sought herein to be increased, are set forth in numbered rules in the above-mentioned supplements.⁹ In most instances, as, for example, in the case of charges for handling C.O.D. shipments, it is proposed to increase these charges by 10 per cent. In a few instances higher percentages of increase are proposed. Authority

7 The commodities included in this group are sulky crates, empty returning; furniture frames; hair, not machine-pressed; and aluminum articles, viz.: trellises, arches, arch gates, pergolas, lawn arbors and wheels.

8 The commodities in this group are step ladders, rolling, mounted on skids or other base; and power units, portable, self-propelled, set up.

9 The services in question are: advancing taxes or fees for filing and recording; notification and storage of undelivered shipments; returning shipments via mail or freight; handling of C.O.D. shipments; returning bank books; and handling of accounts, bills, checks, drafts and notes for collection.

is requested to increase minimum charges for various transportation and other services from \$1.80 to \$2.30, and in some instances to \$2.26.¹⁰ According to the witness the increases proposed in the miscellaneous charges and in the minimum charges are justified by the value of the services rendered, as well as by other considerations. The proposed charge of \$2.30, he said, is quite uniformly used throughout the express classification as a minimum charge. The sought charge of \$2.26, which would apply in connection with the transportation and handling of valuable articles, such as coin, specie and securities, reflects applicant's lowest rate per 100 pounds for the transportation of these articles within California. The proposed increases in the minimum charges for the movement of returned empty containers, the witness testified, are to encourage the accumulation of those articles before tendering them for transportation, thus reducing handling costs.

The traffic manager urged, as justification for approval of the proposed increases in their entirety, the desirability of uniformity of express classification ratings, rules and charges as between California intrastate traffic on the one hand, and interstate traffic, on the other. He also drew attention to increased operating expenses which applicant has experienced by reason of wage increases which were granted to its employees subsequent to submission, on June 24, 1954, of the last general rate increase application filed by it with this Commission. These wage adjustments have, according to the witness, increased applicant's California intrastate operating expenses by an estimated annual amount of \$47,240.

¹⁰ The minimum charges involved are for orders to secure and return goods; and for the transportation of coin, precious metals uncoined, securities and empty containers returned.

The increases proposed herein, the witness said, will not materially enhance applicant's California intrastate revenues. He introduced an exhibit on which were shown the steps by which he had arrived at an estimated annual increase in revenue, predicated on the granting of the application herein, of \$4,746. Applicant, he said, does not anticipate any material effect on its revenues by reason of the reductions which will result in the event the classification supplements hereinbefore mentioned are made applicable on California intrastate traffic.

Members of the Commission's staff assisted in the development of the record. No one opposed the granting of the application.¹¹

It does not appear necessary to evaluate individually in this opinion the merits of each of the increases proposed in the application herein. Upon careful consideration of all the facts and circumstances of record the Commission is of the opinion and hereby finds that the proposed increased express classification ratings, rules and charges have been justified. The application will be granted.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Railway Express Agency, Incorporated, be and it is hereby authorized to establish, on not less than thirty days' notice to the Commission and to the public, the increased classification ratings, rules and charges as proposed in the application filed in this proceeding.

¹¹ Notices of the hearing of the application herein were sent out in advance to approximately 550 persons, companies and organizations, including all of the known chambers of commerce in this state.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 16th day of January, 1956.

John E. Mitchell
President
Justin J. Casner
Ralph L. Interim
[Signature]

Commissioners

Commissioner Matthew J. Dealey being necessarily absent, did not participate in the disposition of this proceeding.