

ORIGINAL

61766

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAILWAY EXPRESS AGENCY,)
 INCORPORATED, for a certificate of)
 public convenience and necessity for)
 transportation of property comprising)
 air express by motor truck (a) between)
 Los Angeles International Airport and)
 Gardena, Torrance, Redondo Beach and)
 El Segundo; and (b) between Los An-)
 geles Union Passenger Terminal and)
 Downey, and as an alternate, between)
 Los Angeles International Airport and)
 Downey.

Application No. 43025

O P I N I O N

Railway Express Agency, Incorporated, a Delaware corpora-
 tion, requests a certificate of public convenience and necessity
 authorizing the establishment and operation of a service as a high-
 way common carrier, as defined in Section 213 of the Public Utilities
 Code, for the transportation of air express (a) between the Los An-
 geles International Airport, on the one hand, and the agency's of-
 fices in Gardena, Torrance, Redondo Beach and El Segundo, on the
 other hand, and (b) between the Los Angeles Union Passenger Terminal
 in Los Angeles, and/or the Los Angeles International
 Airport, on the one hand, and, on the other hand, the agency's office
 in Downey, California, said service to be as an extension of the
 authority granted to the agency by Decision No. 36576, dated August 31,
 1943, in Application No. 25649, and Decision No. 40939, dated Novem-
 ber 19, 1947, in First Supplemental Application No. 25649.

In support of the application it is alleged, inter alia, that the present service between the points is inadequate due to the fixed schedules and the early time of departure of the underlying motor carriers and the inability of such carriers to provide a flexible service to accommodate the frequent changes in flight arrivals and departures of aircraft, the bulk of which traffic arrives at the airport between 6 a.m. and 12 noon. In addition, it is alleged that the proposed service is specialized inasmuch as air express traffic must be handled expeditiously.

Applicant has the financial ability to render the proposed service, and has the equipment necessary therefor.

Copies of the application and the amendment were served on possibly interested carriers. The only protest was made by United Parcel Service which requested a restriction to which the applicant has agreed.

Upon full consideration of this application the Commission is of the opinion and finds and concludes that public convenience and necessity require that applicant be authorized to establish and operate a highway common carrier service as requested and as hereinafter set forth. A certificate will be granted in place of certain of applicant's present operating authorities which will be canceled. A public hearing is not deemed necessary.

Railway Express Agency, Incorporated, is hereby placed on 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, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

The applicant's attention is directed to paragraph (1) of Appendix A attached to the ensuing order. It should be noted that this paragraph is the same as that set forth in applicant's certificate. There is a reference therein to San Francisco Airport (Mills Field). Such airport has been known for some time and designated as San Francisco International Airport which covers a much larger area than San Francisco Airport (Mills Field). In view of this and because of uncertainties as to the remaining referred to area in paragraph (1), the applicant is directed to file an application in which it will state the extent of such operating right and request that paragraph (1) be restated in consonance therewith.

O R D E R

An application having been filed and the Commission being of the opinion that it should be granted,

IT IS ORDERED:

- (1) That a certificate of public convenience and necessity be and it is granted to Railway Express Agency, Incorporated, a Delaware corporation, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points and over the routes as more particularly set forth in Appendix A, attached hereto and made a part hereof.

(2) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 99 and insurance requirements of the Commission's General Order No. 100-A. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Orders Nos. 99 and 100-A, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof, and on not less than ten days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs satisfactory to the Commission.

(3) That the certificate of public convenience and necessity granted in paragraph (1) of this order supersedes the certificates of public convenience and necessity granted by Decision No. 36576, dated August 31, 1943, in Application No. 25649, and Decision No. 40939, dated November 19, 1947, in Application No. 25649, First Supplemental, which certificates are hereby revoked,

said revocation to become effective concurrently with the effective date of the tariff filings required by paragraph (2) (b) hereof.

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

Dated at San Francisco, California, this 4th day of APRIL 1, 1961.

Carroll B. Page
 President

E. J. Mitchell

C. J. ...

George E. ...

Frederick B. Holshoff
 Commissioners

Railway Express Agency, Incorporated, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport general commodities:

- (1) Between the 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 three-fourths of a mile to and including South San Francisco Airport.
- (2) Between the following cities, towns and places in Los Angeles County:
 - (a) Between Los Angeles Union Passenger Terminal, on the one hand, and Downey, on the other hand.
 - (b) Between Burbank (Lockheed Air Terminal), on the one hand, and Bell, Beverly Hills, Culver City, Glendale, Hawthorne, Huntington Park, Inglewood, Lennox, Los Angeles, Maywood, Santa Monica, South Gate, Vernon, Walnut Park and West Los Angeles, on the other hand.
 - (c) Between Los Angeles International Airport, on the one hand, and Bell, Beverly Hills, Burbank (Lockheed Air Terminal), Culver City, Downey, El Segundo, Gardena, Glendale, Hawthorne, Huntington Park, Inglewood, Lennox, Los Angeles, Maywood, Redondo Beach, Santa Monica, South Gate, Torrance, Vernon, Walnut Park and West Los Angeles, on the other hand.

Subject to the authority of this Commission to change or modify the routes at any time by further order, applicant shall conduct said highway common carrier operations via the most convenient route or routes.

The authority herein granted is subject to the restriction that 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, a prior or subsequent movement by aerial transportation facilities.

Issued by California Public Utilities Commission.

Decision No. 61766, Application No. 43025.