

Decision No. 62523**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 RAILWAY EXPRESS AGENCY, INCORPORATED,
 for authority (a) to provide collection
 and delivery of express shipments by
 motor trucks from Sacramento to the
 Lincoln area; (b) to close its Lincoln
 office; and (c) to change the waybilling
 of shipments from said Lincoln office,
 thereby increasing certain intrastate
 charges.

Application No. 43627

O P I N I O N

By Decision No. 61663 in Application No. 42816, Railway Express Agency, Incorporated, was authorized to consolidate its express operations in a portion of Sacramento Valley lying generally southerly of Marysville by providing collection and delivery service by motor trucks directly between the Agency's Sacramento office and various communities in the area in question. As necessary steps in the consolidation plan, the Agency was authorized to close a number of offices in the area, to operate as a highway common carrier between various points involved, and to make the increases in rates which resulted from the designation of Sacramento as the waybilling point for the consolidation area.

Railway Express Agency now proposes to include Lincoln in the Sacramento consolidation area. Accordingly, it seeks, by the application herein, the following authority:

- (1) To close the Lincoln office.
- (2) To establish increased rates and charges to the extent that such will result from the designation of Sacramento as the waybilling point for shipments originating or terminating at Lincoln.

- (3) To operate as a highway common carrier between Lincoln, on the one hand, and, on the other, Sacramento, Stockton and all other points embraced by the highway common carrier certificate granted to the Agency by Decision No. 61663, above, and subject to the same terms and conditions as contained in said certificate.^{1/}

No collection or delivery service is now provided by applicant from or to homes or stores at Lincoln. With the closing of the Lincoln office and the inauguration of highway carrier operation from and to that community such service will be established. Additionally, it is proposed to provide toll-free telephone service to Sacramento for the Agency's Lincoln patrons. This arrangement is now in effect at those points which are already in the consolidation area.

According to the application, rate increases under the plan would result in connection with surface shipments between Lincoln and Paradise, Chico, Gridley, Colusa and Truckee, and reductions would be experienced on movements from and to various other points. Both increases and reductions would be minor. Assertedly, during the month of April 1961, no shipments moved under rates herein proposed to be increased. Air express shipments would enjoy a reduction in charges of at least \$2.56 by reason of the proposed elimination of the present surface charge between Lincoln and the airport.

Applicant estimates that the proposed consolidation of Lincoln with Sacramento office operations would result in a saving of approximately \$7,700 per year in operating expenses.

Copies of the application were served on the City Attorney of Lincoln, on carriers which serve Lincoln, on the principal

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Application No. 42816, above, involved two consolidation areas centering on Sacramento and Stockton, respectively. The highway common carrier certificate in question authorized operation between all points embraced by the two consolidated areas.

business concerns of the community and on the Brotherhood of Railway Clerks. The Agency reports that it has been advised by said Brotherhood that the latter has no objection to the granting of the application. United Parcel Service has informed the Commission that it has no objection to the granting of the application as sought, that is, subject to the same terms and conditions as are contained in Decision No. 61663. No other representations concerning the matter here at issue have been received by the Commission.

The instant application is a part of applicant's nationwide program of modernizing its operations with a view to its continued existence as an essential transportation agency. It appears from the application that, in addition to other advantages, inclusion of Lincoln within the Sacramento consolidation area will enable the Agency to serve its Lincoln patrons more efficiently and more expeditiously than under present methods of operation; that collection and delivery service will be accorded said patrons; that reductions in transportation rates will be made; and that a substantial reduction in operating costs will result.

Upon careful consideration, we hereby find as follows:

1. Consolidation in the Sacramento office of applicant of the service now rendered through its Lincoln office will not be adverse to the public interest.
2. Concurrently with consolidation in applicant's Sacramento office of said service, public convenience and necessity will no longer require applicant to maintain its office at Lincoln.
3. Establishment of the pickup and delivery service proposed in the application herein is in the public interest and should be placed in effect concurrently with consolidation of the Lincoln office.

4. The increases in rates and charges proposed in said application are justified.

5. Public convenience and necessity require the issuance to applicant of a certificate of public convenience and necessity as a highway common carrier between Lincoln and all points set forth on Original Page 2 of Appendix C to Decision No. 61663, subject to the terms and conditions contained in the certificate of public convenience and necessity granted to applicant by said Decision No. 61663.

The application will be granted. A public hearing is not necessary.

Applicant 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.

O R D E R

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

IT IS ORDERED that:

1. Railway Express Agency, Incorporated, is authorized, concurrently with the consolidation of service in its Sacramento office, as proposed in the application filed herein, to discontinue its office at Lincoln, subject to the following conditions:

- (a) Within one hundred twenty days after the effective date hereof, and not less than ten days prior to the discontinuance of said agency, applicant shall post a notice of such discontinuance at its Lincoln office, and, within one hundred twenty days after the effective date hereof and on not less than ten days' notice to the Commission and to the public, applicant shall file in triplicate amendments to its tariffs showing the changes authorized herein and shall make reference in such notice and tariffs to this decision as authority for the changes. In no event shall the Lincoln agent be removed, pursuant to the authority hereinabove granted, earlier than the effective date of the tariff filings required to be made hereunder.
- (b) Within thirty days after discontinuance of service as herein authorized, applicant shall notify this Commission in writing thereof and of compliance with the above conditions. Concurrently with discontinuance of said office, applicant shall establish service to the pickup and delivery limits described in the application.

2. Appendix C of Decision No. 61663 is amended by incorporating therein First Revised Page 2, attached hereto and by this reference made a part hereof, which page cancels Original Page 2 of said appendix.

3. 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-B. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the

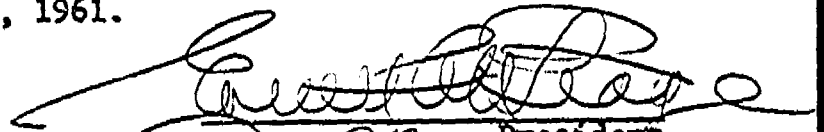

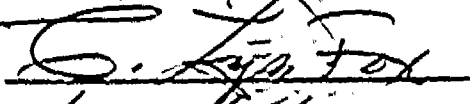
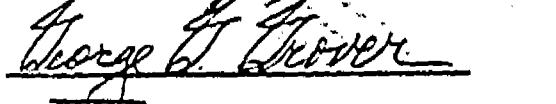
provisions of General Orders Nos. 99 and 100-B, may result in a cancellation of the operating authority granted by this decision.

- (b) Within one hundred twenty days after the effective date hereof, and on not less than ten days' notice to the Commission and to the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs satisfactory to the Commission.

4. Applicant is authorized to establish, on not less than thirty days' notice to the Commission and to the public, and concurrently with the closing of its Lincoln office and the institution of the highway common carrier service authorized in paragraphs 1 and 2 hereof, the increased rates and charges proposed in the application filed in this proceeding.

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

Dated at San Francisco, California, this 5th day of September, 1961.


President

C. L. Fox

George H. Hoover

Frederick B. Holcomb
Commissioners

BETWEEN the following points:

Arcade, Arden, Auburn, Beale Air Force Base, Broderick, Carmichael, Citrus Heights, Davis, Deuel Vocational Institution, Elk Grove, Fair Oaks, Folsom, Lathrop, Lincoln, Lodi, Loomis, Manteca, Marysville, Mather Air Force Base, McClellan Air Force Base, Newcastle, Nimbus, North Highlands, Penryn, Rancho Cordova, Rocklin, Roseville, Sacramento, Sharpe General Depot-Lathrop, Sharpe General Depot-Tracy Annex, Stockton, Stockton Municipal Airport, Tracy, University of California at Davis, West Sacramento, Winters, Woodland, Yuba City, and Yuba County Airport.

VIA any and all convenient public streets and highways between said points,

SUBJECT to the following condition:

The highway common carrier service herein authorized shall be limited to the transportation of express traffic of Railway Express Agency, Incorporated, under a through bill of lading or express receipt, and said traffic shall receive in addition to the highway carrier movement by applicant herein authorized, an immediately prior or immediately subsequent movement by rail, water, air or truck transportation.

End of Appendix C

Issued by California Public Utilities Commission.

Decision No. 62523, Application No. 43627.