

**ORIGINAL**Decision No. 65799

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAILWAY EXPRESS AGENCY, )  
 INCORPORATED, to increase commodity )  
 rates and charges on books, printed )  
 matter and certain other commodities )  
 moving by surface transportation. }

Application No. 45382

OPINION AND ORDER

Applicant is an express corporation, a highway common carrier, a highway permit carrier and a city carrier as defined in the Public Utilities Code. It here seeks authority to establish certain commodity rates which will result in increases, reductions, or no change, as the case may be. The rates presently applicable to the commodities are set forth in Railway Express Agency Commodity Tariff 23-A, Cal. P.U.C. 257.

On January 18, 1963, applicant filed with the Interstate Commerce Commission Commodity Tariff 23-B (hereinafter referred to as "Tariff 23-B") and Supplement 4 to Commodity Tariff 33-B (hereinafter referred to as "Supplement 4") which became effective on interstate commerce on February 22, 1963 and superseded the rates in Tariff 23-A. Applicant proposes that Tariff 23-B and Supplement 4 be made applicable to California intrastate commerce. The publication of Tariff 23-B and Supplement 4 would result in the removing of rates on paper articles other than books and printed matter from Tariff 23-A and placing them in Tariff 33-B, and, the establishment of uniform rates and charges throughout the United States applicable to shipments of books and printed matter which do not qualify under aggregate

weight rules ("open rates") as well as shipments which do qualify under such rules ("aggregate rates"). The changes resulting therefrom result in increases in some instances, reductions in other instances, and in other instances no change in the level of rates. In general, the rate changes would result in some small increases in both the open and aggregate rates applicable to shipments weighing between 1 and 99 pounds; increases and decreases in open rates for shipments of 100 pounds or more, and decreases in aggregate rates applicable to shipments of 100 pounds or more.

Applicant applied the proposed rates to a sample of traffic (approximately 4 percent) handled during the month of October 1962. It was estimated that the proposed rates and charges would increase the average charge on California shipments from \$3.50 to \$3.73 which is about a 6½ percent increase. The sample revealed that 5.02 percent of all intrastate surface express traffic consisted of the commodities involved herein. Applicant applied said percentage to the total intrastate shipments moved during the year ended August 31, 1962, which resulted in 22,821 shipments of the commodities to which the proposed rates would apply. The estimated average increase of 23 cents per shipment (from \$3.50 to \$3.73) applied to said 22,821 shipments results in an estimated increase in revenue of \$5,249 per year.

In Application No. 45118 (Decision No. 65160 dated April 2, 1963) applicant showed that it would have an estimated deficit of \$18,149 from California intrastate operations for a year under the rates authorized in Decision No. 65160. The additional revenues which would result from the rates proposed herein will diminish but will not completely offset that estimated deficit. We find that the increases proposed are justified.

Applicant requests authority to depart from the requirements of Rule 5.8 of General Order No. 80-A which specifies that increased rates and other charges in rates be identified in tariff schedules by appropriate symbols. The use of symbols is required by Section 491 of the Public Utilities Code.<sup>1/</sup> It is the intention of applicant to make the proposed rates applicable to California intrastate traffic by the issuance of supplements to Tariffs 23-B and 33-B. In Supplement 4 the items involved herein which were transferred from Tariff 23-A to Tariff 33-B are designated by the symbol  $\circ\phi$  to which the following reference is made:

"Items preceded by symbol ( $\circ\phi$ ) previously published in Tariff 23-A, I.C.C. 8475. Items preceded by symbol ( $\circ\phi$ ) contain changes in rates and charges resulting in increases, reductions or no change (as the case may be) ...."

As we have mentioned hereinabove, the proposed changes are such that it is impossible to designate a particular rate as an increase, a reduction, or no change; in fact, it is possible that in many instances a particular rate may be an increase on some shipments, a decrease on others, and no change on other shipments. If applicant were to comply with the requirements of Rule 5.8, it would have to place the following symbols preceding each rate:  $\diamond$  (increase)  $\circ$  (reduction) and  $\triangle$  (change resulting in neither increase nor reduction). This, obviously, would require the publication of a separate tariff applicable only to California intrastate shipments. It is desirable, and in the public interest, that tariff publications be made as simple as possible and still meet the needs of commerce. The publication of separate tariffs applicable only to California intrastate traffic would not be in the public interest in this instance.

1/ Section 491, in part:

"When any change is proposed in any rate or classification, ...., attention shall be directed to such change on the schedule filed with the commission, by some character to be designated by the commission, immediately preceding or following the item."

We conclude that applicant should be authorized to make the proposed rates in Tariff 23-B and Tariff 33-B effective on California intrastate commerce by means of supplements to said tariffs which should set forth on the title pages thereof the symbol  $\circ\phi$  to which the following reference should be made in the supplement to Tariff 23-B:

$\circ\phi$  - Rates in this tariff were previously published in Tariff 23-A, Cal. P.U.C. 257, and contain changes in rates and charges resulting in increases, reductions or no change (as the case may be);

and to which the following reference should be made in the supplement to Tariff 33-B:

$\circ\phi$  - Items in supplements preceded by symbol ( $\circ\phi$ ) previously published in Tariff 23-A, Cal. P.U.C. 257. Items preceded by symbol ( $\circ\phi$ ) contain changes in rates and charges resulting in increases, reductions or no change (as the case may be).

Applicant also requests authority to make the changes effective on five days' notice to the Commission and to the public. We find that at least 10 days would be required to permit an evaluation of the various changes proposed. In view of all of the circumstances we conclude that applicant should be authorized to make the changes effective on not less than 10 days' notice to the Commission and to the public.

Due notice was given concerning the proposed changes in rates. On July 25, 1963 the Commission received a letter from the California Trucking Associations, Inc., which states in part:

"We have no objection to applicant's request for increases in its rates and charges, nor to its desire for expedited ex parte handling if the Commission's order provides that the aggregate weight rule be qualified to comply with the present requirements of the Commission's minimum rate tariffs (see Paragraph (3), Item 90, MRT No. 2).

The preference and discrimination which would result unless such qualification of applicant's request is made are well known to the Commission, and resulted in the issuance of Decision No. 50834.

Accordingly, we respectfully request that the applicant's authority be qualified as suggested above, or alternatively, that the matter be set for public hearing so that we may present evidence in support of our position."

The tariffs of Railway Express Agency presently provide aggregate rates applicable to interstate and intrastate commerce. The present application does not propose any substantial changes in the application of those rates. In the transportation of surface express shipments, to which the proposed rates would be applicable, applicant is not subject to the provisions of the rate order referred to by California Trucking Association. The issue which the latter would inject into this proceeding is whether aggregate rates, per se, in the form presently maintained by applicant, are unduly preferential or discriminatory. That general issue transcends the scope of the application and is not one which should be determined herein. There were no other protests. A public hearing is not necessary.

IT IS ORDERED that:

1. Railway Express Agency, Incorporated, is authorized to establish the rates and charges proposed in Application No. 45382 by means of the issuance of a supplement to Tariff 23-E on which shall be shown the symbol  $\circ p$  to which the following reference shall be made:

"Rates in this tariff were previously published in Tariff 23-A, Cal. P.U.C. 257, and contain changes on rates and charges resulting in increases, reductions or no change (as the case may be)";

and by means of the issuance of a supplement to Tariff 33-B on which shall be shown the symbol Ⓞ to which the following reference shall be made:

"Items in supplements preceded by symbol (Ⓞ) previously published in Tariff 23-A, Cal. P.U.C. 257. Items preceded by symbol (Ⓞ) contain changes in rates and charges resulting in increases, reductions or no change (as the case may be)."

2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

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

Dated at San Francisco, California, this 30th day of JULY, 1963.

Edmund Bernard  
President

Robert E. Hite

Walter J. Jones

George H. Hoover

Fredrick B. Halbach  
Commissioners