

ORIGINAL

Decision No. 67486

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
RAILWAY EXPRESS AGENCY, INCORPORATED,  
a corporation, for authorization to  
close its express office at Inglewood,  
California.

Application No. 46070

George Tackabury, for Railway Express  
Agency, applicant.  
Joseph William Bielicki, for Inglewood  
Chamber of Commerce, protestant.  
Lloyd C. Young, for the Commission's  
staff.

O P I N I O N

By this application, as amended, Railway Express Agency, Incorporated, seeks authority to close its express office at Inglewood. To the extent that increases in charges will result by reason of said closure, authority is also sought to make such increases.

Public hearing of the application was held before Examiner Bishop at Los Angeles on March 19, 1964.

Collection and delivery service, the record shows, is currently provided in the Inglewood area by applicant's trucks operating out of its Los Angeles terminal as to surface express shipments, and out of its terminal at Los Angeles International Airport in the handling of air express shipments. The Inglewood collection and delivery limits embrace an area approximately nine miles in length and eight miles in width, as maxima. The area includes the Cities of Inglewood and Hawthorne, the Westchester and Airport sections of Los Angeles, the community of Lennox and certain other unincorporated sections.

Applicant's office at Inglewood is operated solely as an over-the-counter office, for the receipt of outbound shipments from the public and the delivery of will-call inbound shipments. No collection and delivery service is rendered from the Inglewood office. It is manned by a single employee, whose office hours are from 10:00 A.M. to 12:30 P.M., and from 1:30 P.M. to 5:00 P.M., Monday through Friday.

Applicant's superintendent testified that if the application herein is granted, collection and delivery service will continue to be provided by the company's trucks operating out of the Los Angeles and airport terminals, as at present. For those patrons desiring over-the-counter service, he said, the aforesaid airport office is available. This office, he pointed out, is open 24 hours per day, seven days per week.

The Inglewood office was recently moved from its former location in the extreme northern portion of the collection and delivery zone to one more westerly and southerly.<sup>1/</sup> The new location is approximately a mile northeast of the airport office. The latter office is slightly less central to the defined collection and delivery limits than is the office sought to be closed, but it is closer to the unincorporated areas to the south of Hawthorne, which are outside the collection and delivery limits.<sup>2/</sup>

1/ The Inglewood office was formerly located at 1110 North LaBrea Avenue. The present location is at 656 Arbor Vitae Street. Applicant's airport office is located on Aviation Boulevard a short distance south of Century Boulevard.

2/ The areas northerly and easterly of the Inglewood zone are located in the Los Angeles collection and delivery zone of applicant.

Inglewood is presently the waybilling point for all surface express shipments forwarded from or destined to points in the Inglewood collection and delivery limits. With the closing of the Inglewood office Los Angeles would become the waybilling point for all such shipments.<sup>3/</sup> According to the superintendent very few increases, all of a minor nature, would result by reason of this change. An exhibit, in which are set forth present and proposed rates between the Inglewood zone and representative California points, shows only one increase. There would be some reductions in rates, but in most instances no change in rates would result.

The proposal to close the Inglewood office, the superintendent testified, is part of applicant's nationwide program of eliminating unnecessary and uneconomic operating costs, in order to improve the company's financial position. According to an exhibit introduced by this witness, closing of the Inglewood office will result in net annual savings of \$9,512. This figure includes the salary of the employee assigned to the office in question. That employee will be transferred to an equivalent position elsewhere. However, the superintendent testified, the transfer will make unnecessary the hiring of an additional employee at the new location, so that the closing of the Inglewood office would result in a net reduction in labor costs.

Another exhibit of record shows that during the month of August 1963, 151 shipments were brought to the Agency's Inglewood office (then located at 1110 North La Brea Avenue) by patrons whose addresses are within the collection and delivery limits hereinabove

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<sup>3/</sup> Los Angeles is the waybilling point for all air express shipments forwarded from or delivered to points in the Inglewood collection and delivery limits.

described, and that during the same month pickup trucks of the Agency collected or delivered a total of 169 shipments at addresses within said limits.<sup>4/</sup> Other evidence adduced through the superintendent indicates that the business now being brought to the Inglewood office by patrons whose addresses are within the collection and delivery limits could be picked up by the company's drivers at the premises of said patrons without the necessity of putting on additional trucks and drivers.

The superintendent was of the opinion that closing of the Inglewood office would not result in any loss of revenue to the company because collection and delivery service would continue to be provided throughout the area in question. as at present, and because of the 24-hour over-the-counter service available at the airport office, which also, in contrast with the Inglewood office, has adequate customer parking space.

Representatives of two business concerns located in Inglewood testified in support of the application. These companies use applicant's services regularly, both air and surface express. When, because of urgency, they take shipments to applicant's offices for outbound movement they find the airport office much more convenient than the Inglewood office. The reasons given were that the former office is open at all times, has an adequate force on hand for rapid processing of shipments and has off-street parking, resulting in a further saving of time for their trucks and drivers. These witnesses testified that if the Inglewood office were closed no inconvenience to their companies would result thereby.

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<sup>4/</sup> The record does not show how many shipments were delivered to consignees over the counter at the Inglewood office, nor how many outbound shipments were tendered the carrier at that office by patrons residing outside the collection and delivery limits.

A representative of the Commission's Transportation Division staff assisted in the development of the record.

Granting of the application was opposed by the Inglewood Chamber of Commerce. That organization's field executive read into the record a statement adopted by the Chamber with reference to the proposal. The Chamber asserts that applicant has failed to provide service in Inglewood in keeping with the requirements of a city having a population of 85,000; that the service through the Inglewood office has steadily deteriorated over the years to the point where business is driven away rather than attracted; and that the Agency should be required to provide increasingly better service. The Chamber not only opposed the closing of the office in question but requested that the Agency be required to provide at said office the quality of service merited by a city of the size and economic importance of Inglewood.

Based upon the evidence we find:

1. The granting of the application herein will not adversely affect the collection and delivery service now accorded applicant's patrons in Inglewood and other communities included in the Inglewood collection and delivery limits, which service will remain unchanged.

2. The service provided by applicant at its office at Los Angeles International Airport, which office is also located within the aforesaid collection and delivery limits, is far superior to that provided at the office herein sought to be closed.

3. The location of said airport office is considerably more convenient for the great majority of the Inglewood zone patrons requiring over-the-counter service than was the former office on

La Brea Avenue. It is less convenient than the present Inglewood office on Arbor Vitae Street for a relatively small portion of such patrons.

4. Closing of the Inglewood office as herein proposed will result in a substantial saving in operating expenses with no appreciable diminution in quality of service to the public.

5. Public convenience and necessity no longer require applicant to maintain its Inglewood office.

6. The increases in rates and charges proposed in the application, as amended, are justified.

We conclude that the application, as amended, should be granted.

O R D E R

IT IS ORDERED that:

1. Railway Express Agency, Incorporated, is authorized to discontinue its office at Inglewood, 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 the agency at Inglewood, Railway Express Agency, Incorporated, shall post a notice of such discontinuance at said 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 agent be removed, pursuant to the authority hereinabove granted, earlier than the effective date of the tariff filings required hereunder.

(b) Within thirty days after discontinuance of service as herein authorized, applicant shall, in writing, notify this Commission thereof and of compliance with the above conditions.

2. Applicant is authorized to establish, on not less than ten days' notice to the Commission and to the public, and concurrently with the discontinuance of said office, the changes in rates and charges proposed in Application No. 46070, as amended.

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

Dated at San Francisco, California, this 7<sup>th</sup> day of JULY, 1964.

Frederick B. Hilborn  
President  
George L. Hoover  
George L. Hoover  
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.