

**ORIGINAL**

Decision No. 72873

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

|                                       |   |                       |
|---------------------------------------|---|-----------------------|
| Application of                        | ) |                       |
|                                       | ) |                       |
| RAILWAY EXPRESS AGENCY, INCORPORATED, | ) | Application No. 49480 |
|                                       | ) | (Filed June 19, 1967) |
| to increase intrastate rates and      | ) |                       |
| charges for surface express service.  | ) |                       |
|                                       | ) |                       |

OPINION AND ORDER

Railway Express Agency, Incorporated (REA), an express corporation, is engaged in the transportation of express over the lines of common carriers. It operates within California, as well as between California and other states and within and between other states. By this application, REA seeks authority to increase rates and charges for surface express on less than statutory notice.

Applicant proposes to increase its rates and charges on first and second class shipments to the level of its interstate rates and charges for such transportation, bringing all rates and charges on shipments over 100 pounds into full compliance with the Commission's minimum rate orders and further to increase its rates on less carload surface express shipments (including first and second class shipments) by 20 cents per shipment.<sup>1</sup>

Applicant states that the sought increases in rates and charges have become effective April 3, 1967, on first and second class shipments on interstate traffic and intrastate traffic in

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<sup>1</sup>Applicant's interstate rates on first and second class shipments were increased by 50 cents per shipment on shipments weighing 100 pounds or less and by 20 cents per 100 pounds on shipments weighing 101 pounds or more. The rates involved are set forth in various REA tariffs, which are described in Exhibit C attached to the application.

certain states other than California. On other less carload traffic in interstate and certain intrastate commerce, the sought increases became effective April 24, 1967.

Applicant avers that its California intrastate surface express operations are being conducted at a loss and will continue at a loss even if the proposed increases are authorized.<sup>2</sup> Applicant declares that it is experiencing serious losses on its operations as a whole and that such losses threaten its solvency and its ability to continue rendering its historic express service.<sup>3</sup>

The application was listed on the Commission's Daily Calendar of June 20, 1967. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds, that the proposed increases in rates and charges are justified. A public hearing is not necessary. The Commission concludes that the application should be granted.

IT IS ORDERED that:

1. Railway Express Agency, Incorporated, is authorized to establish the increased rates and charges as proposed in Application No. 49480.

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 of this order on not less than ten days' notice to the Commission and to the public.

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<sup>2</sup> Exhibit F attached to the application indicates that REA lost \$411,261 on its California intrastate surface express operations for the 12-month period ending January 31, 1967.

<sup>3</sup> According to Exhibit E attached to the application, REA lost \$4,358,247 on its system operations for the 10-month period ending April 30, 1967.

3. 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 8<sup>th</sup> day of August, 1967.

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President  
*William C. Bennett*  
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Attorney  
*William J. Synovis, Jr.*  
\_\_\_\_\_  
*Paul P. Munssey*  
Commissioners.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.