

Decision No. 74183

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAILWAY EXPRESS AGENCY,)	
INCORPORATED, under the Shortened)	Shortened Procedure
Procedure Tariff Docket to increase)	Tariff Docket
the minimum charge applicable to trans-)	Application No. 50113
portation in air express service of)	(Filed March 26, 1968)
animals and birds, live.)	

OPINION AND ORDER

By this application, Railway Express Agency, Incorporated, seeks authority to increase the minimum charge per shipment from \$5.50 to \$6.25 for the transportation of live animals and birds¹ in air express service.

Applicant states that the proposed minimum charge for live animals and birds is the same as that currently in effect in interstate commerce throughout the United States and in intrastate commerce in all states except California. According to applicant, it has an operating ratio of 101.61 with respect to its California intrastate air express operations under its currently authorized rates and it incurs an annual deficit of \$13,111 in connection with such operations. Applicant contends that this deficit would be diminished, but not eliminated, by the sought increase in the minimum charge.

Applicant alleges that the cost of transporting live animals and birds in air express service exceeds the cost of transporting general commodities in that service by not less than 75 cents per minimum charge shipment. Applicant avers that, though air express is a premium service, the proposed minimum

¹ The minimum charge is set forth in Section 8 of Railway Express Agency, Incorporated, Official Air Express Tariff No. 1, Cal.P.U.C. No. 1.

charge for such service on a 5-pound shipment would be less than the air freight charge on that shipment and less than the surface express charge for the transportation of most live creatures between California points. Applicant declares that the proposed minimum charge is justified by the value of the service rendered inasmuch as the traffic will move under such minimum charge and cannot move satisfactorily in connection with other carriers.

Applicant asserts that it has urgent need to increase its revenues for transportation services as its operations in the fiscal year ending June 30, 1967, resulted in a loss exceeding \$7,000,000. Applicant contends that this trend must be reversed if it is to continue the rendition of its historic express service.

Applicant states that increases resulting from the proposal herein would not increase its California intrastate gross revenue by as much as one percent.

Copies of the application were served upon Parties known to be interested. The application was listed on the Commission's Daily Calendar of March 27, 1968. Allied-American Bird Company has informed the Commission by letter that it would not protest applicant's proposal. No objection to the granting of the application has been received.

In the circumstances, it appears, and the Commission finds that increases resulting from publication of the minimum charge as proposed in the application 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 hereby authorized to publish in its Official Air Express Tariff No. 1,


Cal.P.U.C. No. 1, the increased minimum charge as specifically proposed in the application.

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


3. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

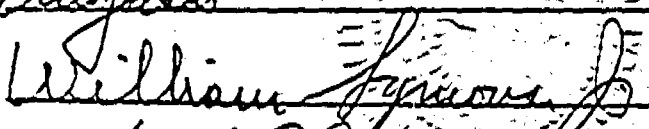
This order shall become effective twenty days after the date hereof.

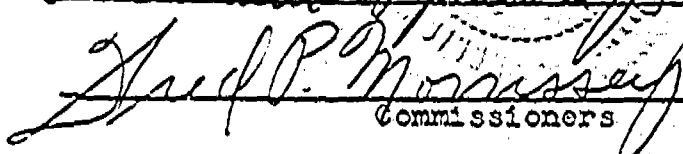
Dated at San Francisco, California, this 28th day of May, 1968.



President







Commissioners

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