

hjh

Decision No. 77013

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of RAILWAY EXPRESS
AGENCY, INCORPORATED, to increase
rates and charges applicable to
air express service.

) Application No. 51692
) (Filed February 6, 1970)

OPINION AND ORDER

Railway Express Agency, Incorporated, is engaged in the transportation of express over the lines of common carriers, including air carriers, and in its own motor vehicles within the State of California and throughout the United States. It here seeks authority to increase certain of its air express rates published in its Official Air Express Tariff No. 1 (Cal. PUC No. 1). The increases herein proposed raise the minimum charge applicable to air express traffic from the present \$5.50 to \$6.00, except for rates applicable to animals and birds, live, where the minimum charge now is, and will remain, \$6.25. Additionally, increases are proposed in air express rates so as to produce a curve of progression as weight and distance increase, in amounts which in no case exceed \$0.25 per shipment.

Applicant asserts that the proposed rates and charges are the same as those applicable to interstate air express traffic throughout the United States, and on intrastate traffic in practically all states which regulate those rates and charges. The rates and charges became effective on interstate traffic on July 1, 1969.

Exhibits attached to the application disclose that applicant is and has been encountering serious losses on its operations as a whole. It was estimated that for the twelve months ended June 30, 1969, applicant had an operating loss of \$118,781 from California intrastate air express operations. Applicant estimates

A. 51692 hjh

that the proposed increases will provide \$36,782 additional gross operating revenue. Applicant asserts, however, that such additional revenue will largely be offset by increases in operating costs which applicant has incurred. Estimated results of California intrastate air express operations under the proposed rates show that the average revenue per shipment will not cover the average expenses and taxes exclusive of the airline transportation costs of transporting the shipment.

Applicant asserts that it has received no protests or complaints from its California air express customers as a result of the proposed increases having been made effective on interstate traffic, although the preponderance of air express handled for practically all California customers is interstate, rather than intrastate, in character.

Notice of the filing of the application appeared on the Commission's Daily Calendar of February 9, 1970. There are no protests. The proposed increases have been shown to be justified. The application should be granted and a public hearing is not necessary; therefore,

IT IS ORDERED that:

1. Railway Express Agency, Incorporated, is authorized to publish in its Official Air Express Tariff No. 1 (Cal. PUC No. 1) the increased rates and charges proposed in Application No. 51692.
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 ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

A. 51692 hjh

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

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

Dated at San Francisco, California, this 21st day of MARCH, 1970.

William J. Lyons Jr.
President

George L. ...

...

...

Yuan L. Shing
Commissioners