

Decision No. 70976**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC AIR FREIGHT, }
 INC., for a certificate of public }
 convenience and necessity. }

Application No. 48301
 Filed March 14, 1966

O P I N I O N

Pacific Air Freight, Inc. is a corporation organized and existing under the laws of the State of Washington, with its principal business office in Seattle. Applicant has been authorized to do business in California since April 21, 1958.

Applicant presently operates throughout the United States and Alaska as a domestic air freight forwarder under Civil Aeronautics Board Operating Authority No. 27, and as an international air freight forwarder under Operating Authority No. 138. Applicant has 34 large terminals in the United States, including installations at Los Angeles and San Francisco. It also maintains freight agents at Fresno, Bakersfield, Modesto, Sacramento and San Diego.

Applicant has applied, pursuant to Section 1010 of the Public Utilities Code, for a certificate to operate in California as an air freight forwarder of general commodities. It is alleged that applicant proposes to deliver freight to all points within the State of California served by aircraft, utilizing the air freight services offered by airlines serving such points; freight is to be generated only from applicant's existing stations at Los Angeles and San Francisco. It is further alleged that the movement of air freight cargo on an intrastate basis is required from time to time as a necessary incident to adequately serve applicant's regular

customers who ship interstate; and that the granting of the authority will enable applicant to serve the shipping public more efficiently, by providing specialized door-to-door service, expedited ground handling of air freight shipments, detailed relaying of information, and simplified accounting for shippers.

Applicant's proposed service will be on an "on call" basis and limited only by the operating schedules of carriers operating under authorization of the Civil Aeronautics Board. Applicant does not operate and does not propose to operate any aircraft itself, but sufficient equipment and employees are now available to efficiently operate statewide as a forwarder under authority from this Commission. Applicant will adopt rates and rules which are competitive with Emery Air Freight, as illustrated in Air Freight Tariff No. 2, Cal. P.U.C. No. 2. Applicant's balance sheet and profit and loss statement for the year 1965 show a total revenue of more than \$4 million and total assets of more than \$2 million. Current liabilities for 1965 total \$1,690,000.

Copies of the application were mailed to twenty airlines, seven air freight forwarders, one express corporation, and the California Trucking Association. No protests have been filed.

The Commission finds as follows:

1. Applicant possesses the experience, equipment, personnel and financial resources to institute and maintain the proposed service.
2. Public convenience and necessity require that the application be granted as set forth in the ensuing order.
3. A public hearing is not necessary.

We therefore conclude that the application should be granted.

Applicant is hereby placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is hereby granted to Pacific Air Freight, Inc., authorizing it to operate as a freight forwarder as defined in Section 220 of the Public Utilities Code, by common carrier by aircraft for the transportation of general commodities between points within the State of California, subject to the following restrictions:

Applicant shall not ship, or arrange to ship, any property via the line of any common carrier by aircraft unless such property shall have its transportation by such common carrier by aircraft originate at either of the following airports:

Los Angeles International Airport

San Francisco International Airport,

on the one hand, and terminate at the following points served by common carrier by aircraft, on the other hand:

Apple Valley
Arcata-Eureka
Bakersfield
Blythe
Burbank
Chico
Crescent City
El Centro
Fresno

Indio-Palm Springs
Inyokern
Laguna Beach-Santa Ana
Lake Tahoe
Lancaster-Palmdale
Long Beach
Los Angeles
Marysville-Yuba City
Merced

Modesto	San Diego
Monterey-Salinas	San Jose
Oakland	Santa Barbara
Ontario-Riverside	Santa Maria
Oxnard-Ventura	Santa Rosa
Paso Robles-San Luis Obispo	San Francisco
Red Bluff-Redding	Stockton
Sacramento	Visalia
San Bernardino	

2. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- a. Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations. Failure to file such reports, in such form and at such time as the Commission may direct, may result in a cancellation of the operating authority granted by this decision.
- b. Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and file tariffs, in triplicate in the Commission's office.
- c. The tariff filings shall 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 the public, and the effective date of the tariff filings shall be concurrent with the establishment of the service herein authorized.

- d. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 117.

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

Dated at San Francisco, California, this 19th day of JULY, 1966.

President
George H. Dwyer

Frederick B. Hallock

Augusta

William G. Dennis
Commissioners

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