

**ORIGINAL**Decision No. 71452

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIRBORNE FREIGHT  
CORPORATION for a Certificate of  
Public Convenience and Necessity.

Application No. 48603  
(Filed July 8, 1966)

O P I N I O N

Airborne Freight Corporation is a California corporation with its principal business office at the San Francisco International Airport. The corporation was formed on April 23, 1947.

Applicant presently operates throughout the United States and Alaska as a domestic air freight forwarder under Civil Aeronautics Board Operating Authority No. 5, and as an international air freight forwarder under Operating Authority No. 104. Applicant has 26 terminals in the United States, including Los Angeles and San Francisco. It also has overseas terminals in West Germany, Hong Kong and Japan. Applicant maintains offices or agents at Bakersfield, Chico, Eureka, Fresno, Los Angeles, Merced, Modesto, Monterey, Oakland, Palm Springs, Redding, Sacramento, San Diego and San Francisco.

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 in California served by aircraft, utilizing the air freight services offered by airlines serving such points. 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 it specialized door-to-door service, expedited ground handling of air freight shipments, detailed relaying of information, and simplified accounting.

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, but sufficient equipment and employees are now available to efficiently operate statewide as a forwarder. 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 dated December 31, 1965 shows total assets of more than \$4 million and current liabilities of \$2,227,889, and its profit and loss statement for 1965 shows total revenue of more than \$9 million.

Copies of the application were mailed to 18 airlines, 2 Air Freight forwarders and an express corporation. 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.

Airborne Freight Corporation 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 Airborne Freight Corporation, 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 the following points in the State of California served by aircraft common carriers:

Apple Valley	Indio-Palm Springs
Arcata-Eureka	Inyokern
Bakersfield	Laguna Beach-Santa Ana
Blythe	Lake Tahoe
Burbank	Lancaster-Palmdale
Chico	Long Beach
Crescent City	Los Angeles
El Centro	Marysville-Yuba City
Fresno	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 25<sup>th</sup> day of OCTOBER, 1966.

[Signature]  
President

George T. Hoover

Frederick B. Hallock

[Signature]

[Signature]  
Commissioners