

ORIGINALDecision No. 72239

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MARK IV AIR FREIGHT, INC.,
 for certificate of public convenience
 and necessity to operate as a freight
 forwarder by air.

Application No. 48891
 (Filed October 24, 1966)

Bernard Fernandes and Bunji Hayata, for
 applicant.
George L. Hunt and Raymond E. Heytens, for
 the Commission staff.

O P I N I O N

Mark IV Air Freight, Inc., requests a certificate of public convenience and necessity, pursuant to Section 1010 of the Public Utilities Code to conduct business as an air freight forwarder of general commodities.

A public hearing was held before Examiner O'Leary at Los Angeles on January 12, 1967 and the matter was submitted. There were no protests.

The application requests authority to operate between all places in the State of California. At the hearing applicant amended the application to show that it requests authority to ship via the lines of air common carriers from San Francisco International Airport and Los Angeles International Airport, on the one hand, to points in California served by air common carriers, on the other hand.

Applicant presently conducts business as an air freight forwarder under Civil Aeronautics Board Operating Authorization No. 216. Applicant has terminals in New York, Chicago and Los Angeles. During the first six months of 1966, applicant handled 34,450 inter-state shipments. Applicant has received approximately thirty requests

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to institute an intrastate service from regular customers in Los Angeles who ship interstate. Applicant expects to establish an office in San Francisco within one year. No requests have been received from shippers to institute service from San Francisco.

Applicant intends to provide a door to door service on an on call basis. Pickup and delivery service within a 25 mile radius of points served by air common carriers will be performed by various highway carriers who have agreed to perform such service. Shipments requiring pickup or delivery beyond a 25 mile radius of a point served by air common carriers will be performed by highway common carriers at the tariff rates of such carriers.

Applicant's president and general manager has been engaged in the air freight forwarding business for approximately ten years.

A Financial Examiner of the Commission's Finance and Accounts Division testified that he prepared Exhibit 1 which is a report of the financial status of the applicant. The exhibit discloses that applicant had a net operating loss of \$4,118.00 for the ten month period ending June 30, 1966. However, during the last three months of this period applicant showed a net profit of \$222.86 after taxes. The exhibit also discloses applicant has total assets of \$144,564.00 and total liabilities of \$122,382.00.

The establishment of the proposed service from the Los Angeles International Airport to points in California served by air common carriers will enable applicant to provide intrastate service as well as interstate service to its regular customers. Applicant has not shown a need for establishment of service from San Francisco.

Upon consideration of the evidence the Commission finds that:

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1. Applicant possesses the experience, equipment, and financial resources to institute and maintain the service herein authorized.

2. Public convenience and necessity require that the proposed service be authorized to the extent set forth in the ensuing order.

The Commission concludes that the application should be granted in part as set forth in the ensuing order.

Mark IV Air Freight, Inc., 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 cancelled 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 Mark IV Air Freight, Inc., authorizing it to operate as a freight forwarder as defined in Section 220 of the Public Utilities Code, via the lines of air common carriers for the transportation of general commodities between the points set forth in Appendix A attached hereto, and made a part hereof.

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. Applicant is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, 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 4th day of APRIL, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

Mark IV Air Freight, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate as a freight forwarder, as defined in Section 220 of the Public Utilities Code, via the lines of air common carriers for the transportation of general commodities subject to the following restrictions:

Applicant shall not ship or arrange to ship, any property via the line of any air common carrier unless such property shall have its transportation by aircraft originate at Los Angeles International Airport, on the one hand, and terminate at the following points served by common carriers by aircraft, on the other hand:

Apple Valley	Merced
Arcata-Eureka	Modesto
Bakersfield	Monterey-Salinas
Blythe	Oakland
Burbank	Ontario-Riverside
Chico	Oxnard-Ventura
Crescent City	Paso Robles-San Luis Obispo
El Centro	Red Bluff-Redding
Fresno	Sacramento
Indio-Palm Springs	San Bernardino
Inyokern	San Diego
Laguna Beach-Santa Ana	San Francisco
Lake Tahoe	San Jose
Lancaster-Palmdale	Santa Barbara
Long Beach	Santa Maria
Marysville-Yuba City	Santa Rosa
	Stockton
	Visalia

Pickup and delivery service is not to be performed beyond a 25 mile radius of the above named points.

Issued by California Public Utilities Commission.

Decision No. 72239, Application No. 48891.