

ORIGINALDecision No. 72951

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC AIR FREIGHT,
INC. for amendment and extension of
certificate of public convenience
and necessity.

Application No. 49159
(Filed February 20, 1967;
Amended April 28, 1967)

O P I N I O N

By Decision No. 70976 in Application No. 48301, dated July 19, 1966, Pacific Air Freight, Inc. was granted a certificate of public convenience and necessity authorizing operations as a freight forwarder via the lines of air common carriers from Los Angeles International Airport and San Francisco International Airport, on the one hand, to various points in California served by air common carriers, on the other hand. Applicant also operates as a domestic freight forwarder under Civil Aeronautics Board Operating Authority No. 27 and as an international freight forwarder under Operating Authority No. 138.

The instant application requests authority to operate as a freight forwarder via the lines of common carriers by air, truck and motorbus from points within twenty-five miles of Bakersfield Airport (Meadows Field), Fresno Air Terminal, Los Angeles International Airport, Modesto Municipal Airport, Sacramento Municipal Airport, San Diego International Airport and San Francisco International Airport, on the one hand, to points located within twenty-five miles of the destination points listed in ordering paragraph 1 of Decision No. 70976, on the other hand.

Applicant alleges that when it filed its tariffs pursuant to the order in Decision No. 70976, applicant was advised that the

authority granted covered applicant's activities as a freight forwarder for the transportation of goods by air common carrier only and that it did not have authority with respect to the ground segment of the transportation of air freight. The pickup and delivery of air freight, utilizing various modes of surface transportation, is an integral part of the air freight forwarding business.

In addition to its offices at San Francisco and Los Angeles, applicant maintains offices or agents at Bakersfield, Fresno, Modesto, Sacramento and San Diego incident to its freight forwarding activities on an interstate basis. It is alleged that the movement of air freight 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.

The proposed service will be performed on an "on-call" basis and limited only by the operating schedules of carriers operating under authorizations of the Civil Aeronautics Board. Applicant does not operate and does not propose to operate any aircraft. Applicant has available sufficient equipment to carry on its interstate and intrastate business. Applicant's balance sheet dated December 31, 1966 shows total assets of \$3,852,396 and current liabilities of \$2,474,679, and its profit and loss statement for the year 1966 shows total revenue of \$8,928,000 and a net profit of \$13,000.

Copies of the application were served in accordance with the Commission's procedural rules. There are no protests.

The Commission finds that:

1. Applicant possesses the experience and financial resources to institute and maintain the proposed service.
2. Public convenience and necessity require that the proposed service be authorized.
3. A public hearing is not necessary.

The Commission concludes that the application should be granted as set forth in the ensuing order. The order which follows will provide, in the event the certificate is accepted, for the revocation of the certificate granted by Decision No. 70976 and the issuance of a certificate in appendix form to Pacific Air Freight, Inc.

Pacific 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 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., a corporation, authorizing it to operate as a freight forwarder, as defined in

Section 220 of the Public Utilities Code, between the points and subject to the conditions 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. 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.

3. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 70976, which certificate is revoked effective concurrently with the

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effective date of the tariff filings required by paragraph 2(b) hereof.

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

Dated at San Francisco, California, this 22nd day of AUGUST, 1967.

John E. Hoff
President

William L. Arnold

Augustas

William Symons

Paul P. Morosoff
Commissioners

Pacific 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, highway common carriers and passenger stage corporations, subject to the following conditions:

1. Applicant shall not ship or arrange to ship any property unless such property shall have transportation by aircraft originate at one of the following airports:

Bakersfield Airport (Meadows Field)
 Fresno Air Terminal
 Los Angeles International Airport
 Modesto Municipal Airport
 Sacramento Municipal Airport
 San Diego International Airport
 San Francisco International Airport,

on the one hand, and terminate at the following points served by air common carriers, on the other hand:

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

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Appendix A

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2. The authority to ship via the lines of highway common carriers and passenger stage corporations is limited to pickup service within a 25-mile radius of the above-named origin points and delivery service within a 25-mile radius of the airports serving the above-named destination points.

EXCEPTIONS:

- a. The community of Apple Valley shall be deemed to be within the delivery service area of the Ontario International Airport.
- b. The City of San Luis Obispo shall be deemed to be within the delivery service area of the Paso Robles County Airport.

3. City carriers may be utilized in lieu of highway common carriers and passenger stage corporations, when necessary.

End of Appendix A

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