

ORIGINAL

Decision No. 72959

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)

JET TRANSPORTATION, INC.)
d/b/a JET AIR FREIGHT)

Application No. 49615
Filed August 18, 1967

for an order for the exchange of)
securities pursuant to a)
statutory merger and)
recapitalization.)

In the Matter of the Application)
of)

JET TRANSPORTATION, INC., d/b/a)
JET AIR FREIGHT)

Application No. 49616
Filed August 18, 1967

for an order to issue shares of)
stock.)

O P I N I O N

These are applications for orders of the Commission authorizing Jet Transportation, Inc., doing business as Jet Air Freight, to issue and exchange shares of stock.

The applications show that applicant is a California corporation engaged in the business of domestic and international air freight forwarding under authorizations issued by the Civil Aeronautics Board. The company reports that less than one percent of its air freight forwarding activities includes shipments originating in Los Angeles for final destination in San Francisco, and vice versa. Applicant has pending before this Commission

Application No. 49326 in which it seeks a certificate of public convenience and necessity in connection with its intrastate business in California.

According to Application No. 49615, on August 14, 1967, applicant received an order from the Civil Aeronautics Board approving a proposed merger of Speedway Trucking Company and International Airfreight, Inc. with and into itself, all being California corporations. Speedway Trucking Company operates under the jurisdiction of this Commission as a radial highway common carrier, a highway contract carrier and a city carrier. Said application shows that International Airfreight, Inc. holds an ocean freight forwarder license issued by the Federal Maritime Commission and operates as an ocean freight forwarding broker.

The preliminary prospectus filed in these proceedings shows that for the year 1966, the combined operating revenues of the three companies involved in the proposed merger amounted to \$6,807,589 and that the corresponding net earnings aggregated \$93,402.

Applicant seeks authority from this Commission to exchange shares of its stock in connection with the recapitalization which would result from said merger, and also to issue and sell additional shares to underwriters in connection with a public offering of its stock. The company reports that it has applied also to the California Commissioner of Corporations for such authority.

It appears that applicant conducts a nationwide and an international freight forwarding business and that it would operate as a public utility subject to the jurisdiction of this Commission with respect to a very small portion of its activities. This situation resembles that of WTC Air Freight, which the Commission exempted from its jurisdiction over security issues by Decision No. 72384, dated May 2, 1967, in Application No. 49336.

Article 5, Chapter 4, Part 1, Division 1 of the California Public Utilities Code defines the jurisdiction of this Commission with respect to stocks and security transactions. Section 829 of the article reads, in part, as follows:

"The commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from the provisions of this article if it finds that the application thereof to such public utility or class of public utility is not necessary in the public interest."

The Commission has considered these matters and finds that the application of the provisions of said Article 5 to Jet Transportation, Inc. is not necessary in the public interest. On the basis of this finding we conclude that applicant should be exempted from the provisions of such article, and that the applications should be dismissed. A public hearing is not necessary.

Nothing in this decision shall be construed as indicating the action the Commission will take with respect to said Application No. 49326.

O R D E R

IT IS ORDERED that:

1. Jet Transportation, Inc. is hereby exempted from the provisions of Article 5, Chapter 4, Part 1, Division 1 of the California Public Utilities Code.

2. Applications Nos. 49615 and 49616 are hereby dismissed.

3. Ordering Paragraph No. 1 hereof shall remain in full force and effect until such time as the Commission may modify or rescind it in accordance with changes in circumstances.

4. The effective date of this order is the date hereof.

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

[Signature]
President

[Signature]
Attorney

[Signature]
Commissioners