

ORIGINAL

Decision No. 73186

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MAIL DELIVERY SERVICE CO., INC., a)
corporation, for a certificate of)
public convenience and necessity as)
a freight forwarder of general)
commodities between points in the)
State of California.)

Application No. 49478
(Filed June 19, 1967;
Amended July 26, 1967
and August 28, 1967)

O P I N I O N

Mail Delivery Service Co., Inc., requests a certificate of public convenience and necessity pursuant to Section 1010 of the Public Utilities Code to conduct intrastate business as a freight forwarder of general commodities.

Applicant requests authority to ship or arrange to ship via the lines of common carriers by air, truck, and motor bus from points within twenty-five miles of Los Angeles International Airport, Lockheed Air Terminal, Inc. (Burbank), San Francisco International Airport, Oakland International Airport, and San Jose Municipal Airport, on the one hand, to points located within twenty-five miles of the destination points listed in Exhibit B-1 of the application, on the other hand.

Applicant presently conducts business as a radial highway common carrier, highway contract carrier and city carrier pursuant to permits issued by this Commission.

Applicant has entered into arrangements with various shippers, whereby applicant will pick up or cause to be picked up commodities at shippers' places of business located at certain points throughout the state. After consolidation, the applicant will transport, or arrange for transportation of such consolidated shipments

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by motor vehicle to airports where the property will be transported by air carriers to other airports where the property will in turn be picked up by motor vehicle and after segregation, delivered to destination.

Applicant alleges that the movement of air freight cargo is required from time to time as a necessary incident to adequately serve its regular customers; and that the granting of the authority will enable applicant to serve the shipping public more efficiently by providing specialized door to door service, expediting ground handling of air freight shipments, detailed relaying of information, and simplified accounting for shippers.

Applicant does not operate any aircraft and the service will be limited to the use of aircraft operated by existing air carriers. Applicant's balance sheet dated December 1966 shows total assets of \$107,144 and total current liabilities of \$45,341, and its profit and loss statement for the year 1966 shows total revenue \$233,026 and a net profit of \$29,884.

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.

Mail Delivery Service Co., 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 Mail Delivery Service Co., 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 the 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 10th day of OCTOBER, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

Mail Delivery Service Co., 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 originating at one of the following airports:

Los Angeles International Airport
 Lockheed Air Terminal, Inc. (Burbank)
 San Francisco International Airport
 Oakland International Airport
 San Jose Municipal Airport

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

Arcata	Orange County Airport
Bakersfield	Redding
Burbank	Sacramento
Eureka	Salinas
Lockheed Air Terminal - Burbank	San Diego
Long Beach	San Francisco
Los Angeles	San Francisco International Airport
Los Angeles International Airport	San Jose
Merced	San Jose Municipal Airport
Monterey	Santa Barbara
Oakland	Stockton
Oakland International Airport	Visalia
Ontario	

Issued by California Public Utilities Commission.

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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 and transportation by applicant in its own equipment 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 above-named destination points.

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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