

ORIGINAL

Decision No. 73233

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Jet Transportation, Inc.)
D/B/A Jet Air Freight for a Certificate)
of Public Convenience and Necessity.)

Application No. 49326
(Filed April 28, 1967)

Russell and Schureman, by
R. Y. Schureman, for applicant.
Arthur Glanz, for Victorville-
Barstow Truck Line and Desert
Express, interested parties.
Joe Braman, for the Commission staff.

O P I N I O N

Jet Transportation, Inc., doing business as Jet Air Freight (applicant), requests a certificate of public convenience and necessity, pursuant to Section 1010 of the Public Utilities Code, to conduct business as a freight forwarder of general commodities, with exceptions, via the lines of common carriers by air, truck and motorbus¹ from the Los Angeles International Airport or the San Francisco International Airport and points within twenty-five miles thereof as points of origin, to all points and places in the state of California, subject to the following conditions or restrictions:

¹ Truck and bus carriers are to be used only if some emergency renders the use of air carriers impractical or impossible.

1. Applicant will provide service as a freight forwarder by air with pickup and delivery at the termini, with its own motor vehicles^{2/} between the Los Angeles or San Francisco airport and points within twenty-five miles thereof, on the one hand, and, on the other hand, the following airports and points within twenty-five miles thereof:

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

2. No collection or distribution service will be provided by applicant with its own motor vehicles to or from any point more than twenty-five miles distant from any airport served by it. As used herein "point" means any point within twenty-five airline miles of the city limits of any city in which is located an airport served by the applicant, and if any such airport is located in an unincorporated area, means any point within twenty-five miles of such airport.

3. When service is provided by applicant to any point or points beyond the twenty-five mile radius specified in restriction 2. above, the surface carrier shall be a highway common carrier.

^{2/} The term "own motor vehicles" includes applicant's equipment and the equipment of such carriers as applicant may select as representative agents.

4. Applicant will establish door-to-door rates for service between airports, including points within twenty-five miles thereof as defined in restriction 2. herein. On traffic moving to or from points beyond said twenty-five mile radius, applicant will, in addition thereto, assess the lawful tariff rates of any highway common carrier engaged to perform said beyond service.

A public hearing was held before Examiner Rogers at Los Angeles on August 28, 1967 and the matter was submitted. Prior to the hearing, notice thereof was served on interested parties. There were no protests.

Applicant is a California corporation. Its Articles of Incorporation were filed with the Secretary of the State of California on July 31, 1959. Its principal business is air freight forwarding.

Applicant presently conducts business as an air freight forwarder under Civil Aeronautics Board Operating Authority No. 57 (Exhibit 2). It apparently has authority as an international freight forwarder (Exhibit 3) although it presented no proof of such.

Applicant's principal office is at 750 Lairport Street, El Segundo, California. It will secure Radial Highway Common Carrier, Contract Carrier, and City Carrier permits issued by this Commission.

In Los Angeles and vicinity it uses and will use Speedway Trucking Company, a wholly owned subsidiary, for its pickup and delivery service. At other pickup and delivery points it uses and will use available permitted carriers. When line-haul service cannot be rendered by an air common carrier, the applicant will use highway common carriers or passenger stage corporations as the

underlying carrier. For delivery service to points beyond the named airport delivery points, applicant will employ the services of available highway common carriers.

In addition to its office in El Segundo, applicant maintains offices or agents at Bakersfield, Fresno, Modesto, Sacramento, San Francisco and San Diego incident to its interstate freight-forwarding business.

Applicant alleges that the movement of air freight on an intrastate basis is required from time to time as a necessary incident to adequately serving customers who ship interstate and that the granting of the requested 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 applicant further alleges that the pickup and delivery of air freight utilizing services of various modes of surface transportation is an integral part of the air freight forwarding business.

It further alleges that the proposed service will be performed on an on-call basis and as limited or restricted by the operating schedules of carriers operating under authorizations of the Civil Aeronautics Board; that it does not operate and does not propose to operate any aircraft; and that it has available sufficient equipment to carry on efficiently its interstate and intrastate business.

Applicant's balance sheet dated December 31, 1966 (Exhibit 3) shows total assets of \$961,247 and current liabilities of \$584,184, and its profit and loss statement for the year 1966 shows total revenues of \$5,686,417 and a net profit (before income taxes, on an accrual basis) of \$67,725.

Findings

On the basis of the evidence at the hearing and the verified application, 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.

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

Jet Transportation, 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 Jet Transportation, Inc., a corporation, authorizing it to operate as a freight forwarder, as defined in Section 220 of the Public Utilities Code, for the transportation of general commodities, with exceptions, between all points in the State of California, 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.

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

Dated at San Francisco, California, this 24th day of OCTOBER, 1967.

[Signature]
President
[Signature]
[Signature]
[Signature]
[Signature]
Commissioners

Jet Transportation, 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, which transportation shall originate at either the Los Angeles International Airport or the San Francisco International Airport, on the one hand, and shall terminate at one or more of the following points served by air common carriers, on the other hand:

Arcata	Ontario
Bakersfield	Oxnard
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 Jose
Lake Tahoe	Santa Ana
Long Beach	Santa Barbara
Los Angeles	Santa Maria
Marysville	Santa Rosa
Merced	San Francisco
Modesto	Stockton
Monterey	Ventura
Oakland	Visalia
	Yuba City

2. In emergencies only, highway common carriers or passenger stage corporations may be used as underlying carriers to provide transportation between the airports specified in paragraph 1 hereof.

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Appendix A

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3. No collection or distribution service shall be provided by Jet Transportation, Inc. with its own motor vehicles to or from any point more than twenty-five airline miles distant from any airport served by it. As used herein, "point" means any point within twenty-five airline miles of the city limits of any city in which is located an airport served by Jet Transportation, Inc., and if any such airport is located in an unincorporated area it means any point within twenty-five airline miles of any such airport.

4. When service is provided by Jet Transportation, Inc. to or from any point or points beyond the twenty-five mile radius specified in Paragraph 3 above, the surface carrier shall be a highway common carrier.

5. Jet Transportation, Inc. shall establish door-to-door rates for service between airports including points within twenty-five miles thereof as defined in Paragraph 3 herein. On traffic moving to or from points beyond said twenty-five mile radius, Jet Transportation, Inc. shall, in addition to said door-to-door rates, assess the lawful tariff rates of any highway common carrier engaged to perform said beyond service.

End of Appendix A

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