

ORIGINALDecision No. 74428

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 50069
 (Filed March 4, 1968)

Bernard Fernandes, for applicant.
Leonard Diamond, for the Commission staff.

O P I N I O N

By Decision No. 72239 in Application No. 48891, dated April 4, 1967, Mark IV 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, on the one hand, to various points served by air common carriers, on the other hand. Applicant also operates as a domestic air freight forwarder under Civil Aeronautics Board Operating Authority No. 216 and as an international air freight forwarder under Operating Authority No. 347.

The instant application requests its certificate of public convenience and necessity be amended to show both San Jose Municipal Airport and San Francisco International Airport as points of origin.

A public hearing was held before Examiner O'Leary at Los Angeles on May 10, 1968. The matter was submitted upon the receipt of late filed Exhibit 1 on May 15, 1968. No protestants appeared at the hearing.

Applicant alleges that, since the issuance of Decision No. 72239, it has established an office in the San Francisco area. Applicant is presently serving customers in the San Francisco area

with an interstate service and requests its certificate be amended and extended so that it may furnish its customers in the San Francisco area an intrastate service as well as an interstate service.

Applicant submitted letters addressed to various parties (Exhibits 2 to 7 inclusive) which indicate they would use applicant's intrastate service from San Francisco and San Jose if authorized.

The president of a wig manufacturer testified that his company presently utilizes applicant's interstate service and would use applicant for intrastate shipments.

Applicant's balance sheet as of December 31, 1967 discloses total assets of \$190,045.98 and total current liabilities of \$118,513.28. Its profit and loss statement for the year 1967 discloses a profit after income taxes of \$13,841.46.

Upon consideration of the evidence the Commission finds that:

1. Applicant possesses the experience and financial resources to institute and maintain the service herein authorized.
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. The order which follows will provide, in the event the certificate is accepted for the revocation of the certificate granted by Decision No. 72239 and the issuance of a certificate in appendix form to Mark IV Air Freight, Inc.

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. 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., 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. 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.

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. 72239, which certificate is revoked effective concurrently with the 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 23rd day of JULY, 1968.

William J. Lyons, Jr.
President

Dallas W. Bennett

Fred P. Morrissey
Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

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, 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:

Los Angeles International Airport
 San Francisco International Airport
 San Jose Municipal Airport

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

Apple Valley	Modesto
Arcata-Eureka	Monterey-Salinas
Bakersfield	Oakland
Blythe	Ontario-Riverside
Burbank	Oxnard-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 Francisco
Laguna Beach-Santa Ana	San Jose
Lake Tahoe	Santa Barbara
Lancaster-Palmdale	Santa Maria
Long Beach	Santa Rosa
Marysville-Yuba City	Stockton
Merced	Visalia

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.

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APPENDIX A

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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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