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ORIGINAL

Decision No. 74845

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of BOR-AIR FREIGHT CO., INC., a
New York Corporation, for a
Certificate of Public Convenience
and Necessity to institute a freight
forwarding service.

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) Application No. 50270
(Filed May 24, 1968;
Amendments filed July 30
and September 10, 1968)

OPINION

By this application, as amended, Bor-Air Freight Co., Inc. 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, utilizing the lines of air common carriers, highway common carriers and passenger stage corporations between points located within a twenty-five mile radius of Los Angeles International Airport, Lockheed Air Terminal, Inc. (Burbank), San Francisco International Airport and Oakland International Airport.

Applicant is a New York Corporation, with its principal place of business in New York City, New York. Applicant qualified to do business in the State of California on April 30, 1968 and maintains offices at Los Angeles and San Francisco.

Applicant is presently engaged in business as an air freight forwarder holding Operating Authorization No. 16 for domestic operations and No. 370 for international operations issued by the Civil Aeronautics Board. Applicant also holds authority from the International Air Transportation Association.

Applicant alleges that the movement of air freight cargo 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 shipments.

In providing service as a freight forwarder, applicant will pick up or cause to be picked up commodities at offices of shippers. After consolidation, applicant will transport, or arrange for the transportation, of such consolidated shipments by motor vehicles to airports where the property will be transported by aircraft to other airports where the property will, in turn, be picked up by motor vehicle, and after segregation delivered to the consignee. In the conduct of the proposed operation, applicant will utilize motor carriers, air carriers and passenger stage corporations and will assume responsibility for the through transportation of the property from origin to destination.

Applicant's balance sheet dated December 31, 1967 discloses total assets of \$585,596.88 and total current liabilities of \$482,215.26. Its profit and loss statement for the six months ended December 31, 1967 shows total revenue of \$1,251,849.97 and a net profit before income taxes of \$7,532.02.

Copies of the application and amendments thereto were served in accordance with the Commission's procedural rules.

The application was listed on the Commission's Daily Calendar as of May 28, 1968 and amendments were listed on the Calendars of August 1 and September 12, 1968. There are no protests.

After consideration, 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.

Bor-Air Freight 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 granted to Bor-Air Freight 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. Failure so to do may result in a cancellation of the operating authority granted by this decision.

- (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 operation.
- (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 22nd day of OCTOBER, 1968.

William Symons Jr.
President

William L. Barnes

W. P. Moussey
Commissioners

Bor-Air Freight 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 is transported by aircraft between two of the following airports:

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

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

Issued by California Public Utilities Commission.

Decision No. 74845, Application No. 50270.