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ORIGINAL

Decision No. 76739

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
IMPERIAL AIR FREIGHT SERVICE, INC.,  
a Corporation, for a certificate of  
public convenience and necessity as  
an Air Freight Forwarder of general  
commodities between points in the  
State of California.

Application No. 51303  
(Filed August 8, 1969)

Henry Jerum, for applicant.  
Graham & James, by Boris H. Lakusta  
and David J. Marchant, for Desert  
Express, Delta Lines, Inc., and  
Pacific Motor Trucking, protestants.  
Peter N. Kujachich, for the Commission  
staff.

O P I N I O N

By this application, Imperial Air Freight Service, 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.

A public hearing was held before Examiner O'Leary at San Francisco on November 5, 1969 at which time the matter was submitted.

Applicant requests authority to ship or arrange to ship via the lines of air common carriers, highway common carriers and passenger stage corporations from points within twenty-five miles of Los Angeles International Airport, Lockheed Air Terminal, Inc. (Burbank), Oakland International Airport, Orange County Airport, Sacramento Municipal Airport, San Diego International Airport, San Francisco International Airport, and San Jose Municipal Airport, on the one hand, to points within a twenty-five mile radius of airports serving the destination points set forth in Exhibit A attached to the application.

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It was stipulated that "No collection or distribution service shall be provided by applicant to or from any point more than 25 airline miles distant from any airport unless said service beyond said 25 airline miles is performed by a highway common carrier." Upon hearing the stipulation counsels representing protestants withdrew their protests.

Applicant is presently engaged in business as a domestic air freight forwarder under Civil Aeronautics Board Operating Authority No. 56 and as an international air freight forwarder under Operating Authority No. 130.

Applicant maintains offices in California at Los Angeles and Burlingame and has agents at Sacramento, Fresno, Monterey, Salinas and San Diego.

Four persons who utilize applicant's service testified in support of the application; all of the witnesses testified that they have utilized applicant's service for intrastate shipments.

Applicant proposes to establish door-to-door rates for services between airports, including points within a 25 mile radius thereof. On traffic moving to or from points beyond said 25 mile radius applicant will in addition thereto assess the lawful tariff rates of any highway common carrier engaged to perform said beyond service.

Applicant's balance sheet dated June 30, 1969 shows total assets of \$418,937 offset by current liabilities of \$348,143 and net worth of \$70,794. Its Profit and Loss Statement for the year ended June 30, 1969 discloses a net income of \$20,154.

The evidence presented by applicant discloses that it has been performing operations without a certificate in violation of the Public Utilities Code. While punitive action will not be taken at

this time, applicant is placed on notice that any future violations will not be tolerated and any such operations will be dealt with severely.

Based on the evidence adduced, 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.

Imperial Air Freight Service, 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, these rights extend to the holder a full or partial monopoly of a class of business.

#### O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Imperial Air Freight Service, 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. 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 operations.
- 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 Diego, California, this 3rd day of FEBRUARY, 1970.

William S. Jones, Jr.  
President

[Signature]

[Signature]

[Signature]  
Commissioners

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

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Appendix A Imperial Air Freight Service, Inc. Original Page 1

Imperial Air Freight Service, 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 named airports:

Los Angeles International Airport  
Lockheed Air Terminal, Inc. (Burbank)  
Oakland International Airport  
Orange County Airport  
Sacramento Municipal Airport  
San Diego 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	Oxnard
Arcata	Palmdale
Bakersfield	Palm Springs
Blythe	Paso Robles
Burbank	Red Bluff
Chico	Redding
Crescent City	Riverside
El Centro	Sacramento
Eureka	Salinas
Fresno	San Bernardino
Indio	San Diego
Inyokern	San Francisco
Lancaster	San Jose
Long Beach	San Luis Obispo
Los Angeles	Santa Ana
Marysville	Santa Barbara
Merced	Santa Maria
Modesto	Santa Rosa
Monterey	South Tahoe
Oakland	Stockton
Ontario	Ventura
Orange County Airport	Visalia
	Yuba City

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2. No collection or distribution service shall be provided by Imperial Air Freight Service, Inc. to or from any point more than 25 airline miles distant from any airport served by it unless said service beyond said 25 airline miles is performed by a highway common carrier. As used herein "point" means any point within 25 airline miles of the city limits of any city in which is located an airport, or 25 airline miles of any airport located in an unincorporated area.

3. Imperial Air Freight Service, Inc. shall establish door-to-door rates for service between airports, including points within 25 miles thereof as defined in Paragraph 2 herein. On traffic moving to or from points beyond said 25-mile radius, Imperial Air Freight Service, Inc. shall, in addition to said door-to-door rates assess the lawful tariff rates of any highway common carrier utilized to perform said beyond service.

End of Appendix A

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