

ORIGINAL

Decision No. 77795

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of INTERJET CARGO SYSTEM, INC., a)
corporation, for a certificate of)
public convenience and necessity)
as a freight forwarder of general)
commodities between all points in)
the State of California.)

Application No. 52043
(Filed July 17, 1970)

O P I N I O N

Interjet Cargo System, Inc. is a California corporation with its principal business office in South San Francisco. The corporation was formed on February 29, 1968, as successor to RealAire.

Applicant presently operates throughout the United States and in commerce with foreign nations as an air freight forwarder under Civil Aeronautics Board (CAB) Certificate No. 248-339. Applicant operates freight generating stations in all the major cities in the United States.

Applicant has applied, pursuant to Section 1010 of the Public Utilities Code, for a certificate to operate statewide in California as an air freight forwarder of general commodities. It is alleged that applicant proposes to deliver freight to all points in California served by aircraft, utilizing the air freight services offered by airlines serving such points. It is further alleged 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.

Applicant will use either its own vehicles or those of another carrier for pickup or delivery that is not more than 25 miles from the airport at which the property is to be tendered to, or received from, an airline. Applicant will assume responsibility for the transportation of property from the point of origin to the point of destination.

Applicant's proposed service will be on an "on call" basis, twenty-four hours a day every day of the year. Applicant will adopt rates and rules to cover the entire transportation pursuant to tariff rates which will be similar to rates which existing freight forwarders have on file with the Commission.

Applicant has operated only two years. Its balance sheet for 1969 shows total assets of \$151,160 as of December 31, 1969, and current liabilities of \$239,462. Its profit and loss statement shows gross revenues of \$1,262,512 for 1969 and a deficit of \$575,164. Applicant alleges that it anticipates profitable operations in the very near future; and that it will obtain new capital to assure adequate financing.

Applicant requests a certificate authorizing statewide operations. The Commission staff recommends that, in the absence of an affirmative showing, the Commission limit the certificate granted herein to include service to California points which applicant is currently serving under its existing CAB authority as evidenced by its tariff on file with the CAB. The Commission adopts the staff recommendation, subject to any request by applicant to make an affirmative showing to justify its broader request.

Copies of the application were mailed to 15 air freight forwarders and an express corporation. No protests have been filed.

After consideration the Commission finds as follows:

1. Applicant possesses the experience, equipment, personnel and financial resources to institute and maintain the proposed service.
2. Public convenience and necessity require that the application be granted as set forth in the ensuing order.
3. A public hearing is not necessary.

We therefore conclude that the application should be granted.

Interjet Cargo System, 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 Interjet Cargo System, Inc., authorizing it to operate as a freight forwarder as defined in Section 220 of the Public Utilities Code, for the transportation of general commodities 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 comply with and observe the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-F.
- (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.
- (e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

- (f) Applicant shall comply with the requirements of the Commission's General Order No. 34-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 6th day of OCTOBER, 1970.

J. M. ...
Chairman

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William ...

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Verna L. ...
Commissioners

Interjet Cargo System, 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 for the transportation of general commodities 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
Oakland International Airport
Sacramento Metropolitan Airport
San Diego International Airport
San Francisco International Airport

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

Bakersfield
Blythe
Chico
Crescent City
El Centro
Eureka
Fresno
Inyokern
Marysville
Merced
Modesto
Monterey
Ontario

Oxnard
Palmdale
Palm Springs
Red Bluff
Redding
Riverside
Salinas
San Luis Obispo
Santa Barbara
Santa Maria
Santa Rosa
Stockton
Visalia

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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.

EXCEPTION:

The City of San Luis Obispo shall be deemed to be within the delivery service area of the Paso Robles County Airport.

3. Interjet Cargo System, Inc. shall establish door-to-door rates for service between airports including points within 25 miles thereof as defined in paragraph 2 herein.

4. In cases of an emergency, such as an airport being closed because of weather conditions which would curtail the operations of air common carriers, highway common carriers or passenger stage corporations may be used to perform transportation between airports.

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