

Decision No. 78543

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PROFIT BY AIR, INC., a corporation,)
for a certificate of public conven-)
ience and necessity to institute a)
freight forwarding service.)

Application No. 51981

(Filed June 22, 1970;
amended October 26, 1970)

O P I N I O N

Profit by Air, Inc., is a New York corporation duly qualified to do business in California, whose place of business in California is in Los Angeles. Applicant holds permitted authority as a radial highway common carrier from this Commission. Applicant presently operates throughout the United States and in commerce with foreign nations as an air freight forwarder under Civil Aeronautics Board Certificates Nos. 278 and 361.

Applicant seeks to act, pursuant to Sections 220 and 1010 of the Public Utilities Code, as an air freight forwarder of general commodities between the following cities:

- | | |
|-------------|---------------|
| Bakersfield | Monterey |
| Chico | Oakland |
| Eureka | Sacramento |
| Fresno | San Diego |
| Lake Tahoe | San Francisco |
| Los Angeles | Santa Maria |
| Merced | Stockton |
| Modesto | |

Pickup and delivery service will be confined to an area no greater than 25 miles from the airports in the aforesaid cities. Applicant will perform pickup and delivery service with its own vehicles or will use contract truckers to perform this service.

Applicant asserts that public convenience and necessity require its services because applicant has been contacted by various manufacturing firms, department stores, insurance companies, and other shippers and requested to provide a service that will transport printed matter, manufactured goods, and other commodities suitable to air transportation. Applicant serves many manufacturing and retail firms in California through its air freight service to other points in the United States and throughout the world. The clients served by applicant require the services of an air freight forwarder familiar with their transportation needs and service requirements. Applicant's customers require an air freight forwarder who can serve them not only to and from points outside of California, but also within the State of California.

In performing the proposed service, applicant will assume responsibility for the through transportation of the property from the origin point to destination and will charge rates to cover the entire transportation service pursuant to tariff rates approved by this Commission. The property will be shipped on applicant's way bills and the charges for air transportation will be paid by applicant to the air carrier.

Copies of the application were mailed to 18 air freight forwarders and other transportation companies. 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.

Profit by Air, 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 Profit by Air, 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. 84-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 twenty days after the date hereof.

Dated at San Francisco, California,
this 13th day of APRIL, 1971.

[Signature]
Chairman
William J. Lyons
[Signature]
Vernon L. Sturgeon
[Signature]
Commissioners

Profit by Air, 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
Oakland International Airport
Sacramento Metropolitan Airport
San Diego International Airport
San Francisco International Airport

and the principal airports in the cities of:

Bakersfield	Merced
Chico	Modesto
Eureka	Monterey
Fresno	Santa Maria
South Lake Tahoe	Stockton

on the one hand, and terminate at another of the above-listed airports.

2. No collection or distribution service shall be provided by Profit By Air, Inc. to or from any point more than 25 airline miles distance from any airport served by it. 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.

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Appendix A

PROFIT BY AIR, INC.
(a corporation)

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3. Profit by Air, 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.

End of Appendix A

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