

ORIGINAL

Decision No. 78581

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
P-I-E AIR FREIGHT FORWARDING, 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. 52230
(Filed October 6, 1970)

W. S. Pilling, Attorney at Law, for applicant.
T. L. Deal and Peter N. Kujachich, for the
Commission staff.

O P I N I O N

By this application P-I-E Air Freight Forwarding, 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 Fresno Airport Terminal, Long Beach Municipal Airport, Los Angeles International Airport, Oakland International Airport, Sacramento Metropolitan Airport, Sacramento Municipal Airport, San Diego International Airport, San Francisco International Airport, and San Jose Municipal Airport. There are no protests.

Public hearing was held before Examiner O'Leary at San Francisco on February 4, 1971 at which time the matter was submitted.

Applicant is presently engaged in business as a domestic air freight forwarder under Civil Aeronautics Board Operating Authority No. 309.

Applicant maintains offices in California at Los Angeles and Burlingame and has agents at other points in California.

Applicant's director of operations testified that applicant has received requests from its customers who ship interstate for intrastate service.

Applicant proposes to establish door-to-door rates which are generally competitive with Domestic Air Express, Inc.

Two persons who utilize applicant's service testified in support of the application.

Applicant's balance sheet and statement of income as of November 30, 1970 were received in evidence as Exhibit No. 1. The balance sheet shows assets of \$185,457 and liabilities of \$311,464. Its statement of income for the eleven months ended November 30, 1970 discloses a net loss of \$84,573. The vice president of finance for applicant testified that he is also vice president of finance for Pacific Intermountain Express Co. (PIE) and that applicant is a wholly owned subsidiary of PIE. He also testified that the financial resources of PIE are available to applicant should they be needed. A copy of PIE's balance sheet as of September 30, 1970 was received in evidence as Exhibit No. 2. It discloses current assets of \$28,039,424 offset by current liabilities of \$11,629,984.

Based on the evidence adduced 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.

P-I-E Air Freight Forwarding, 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 P-I-E Air Freight Forwarding, 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 Francisco, California, this 20th day of APRIL, 1971.

 Chairman
William J. ...

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 Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

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Appendix A P-I-E AIR FREIGHT FORWARDING, INC. Original Page 1

P-I-E Air Freight Forwarding, 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:

Fresno Airport Terminal
Long Beach Municipal Airport
Los Angeles International Airport
Oakland International Airport
Sacramento Metropolitan Airport
Sacramento Municipal Airport
San Diego International Airport
San Francisco International Airport
San Jose Municipal Airport

2. In emergencies only, such as an airport being closed because of inclement weather, highway common carriers or passenger stage corporations may be used as underlying carriers to provide transportation between the airports specified in Paragraph 1 hereof.

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3. No collection or distribution service shall be provided by P-I-E Air Freight Forwarding, 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.
4. P-I-E Air Freight Forwarding, Inc. shall establish door-to-door rates for service between airports, including points within 25 miles thereof as defined in Paragraph 3 herein. On traffic moving to or from points beyond said 25-mile radius, P-I-E Air Freight Forwarding, 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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