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ORIGINAL

Decision No. 79047

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CF Air Freight, Inc.)  
for a certificate of public convenience and necessity to extend freight forwarding authority by air.

Application No. 52680  
(Filed June 9, 1971)

O P I N I O N

By Decision No. 77435 in Application No. 51881 dated June 30, 1970 CF Air Freight, Inc., was granted a certificate of public convenience and necessity authorizing operations as a freight forwarder via the lines of air common carriers between various points. Applicant also operates as a highway contract carrier. By this application applicant requests that its certificate of public convenience and necessity be expanded to include additional points of origin and destination.

In addition to its activities within California, applicant is engaged in the performance of air cargo transportation in interstate and foreign commerce as an air freight forwarder under Civil Aeronautics Board Operating Authorization No. 331 for domestic operations and No. 417 for international operations. Said interstate and foreign commerce activities are of like character with those for which extended authority within California is here sought.

Applicant alleges that public convenience and necessity require that it be granted a certificate of public convenience and necessity to provide service as a freight forwarder by air between the additional points in the State of California for the following reasons:

Applicant has operated as a freight forwarder by air within the State of California for approximately one year. During this time it has continuously expanded

its operations in keeping with the State's population and industrial growth and the increased use of air transportation for the movement of goods throughout the State. The demand for applicant's services has had a corresponding increase and has found itself in a position of being compelled to ask for increased authority commensurate with the service which the shipping public requires.

Applicant proposes to handle freight at all points as shown on Exhibit A, attached to the application, which points are all presently served by aircraft, and it will utilize the airfreight services offered by the direct air carriers serving such points. In the event direct air carrier service is unavailable due to adverse weather or other emergency conditions, applicant proposes to use a highway common carrier or a passenger stage corporation to perform the underlying transportation. Pickup or delivery services will be provided in applicant's own vehicles or those of its designated agents. In no event will pickup or delivery be more than 25 miles from the airport at which the property is to be tendered to, or received from, an airline, or, if more than 25 miles from such airport, it will be within the city limits of a city which at its nearest point to the airport, is within 25 miles. Applicant, in performing the proposed service will assume responsibility for the through transportation of the property from point of origin to point of destination pursuant to tariff rates, charges, rules and regulations filed with this Commission. Such rates will be on a level approximating those published in its Cal. P.U.C. No. 1 and generally competitive with competing carriers.

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

The application was listed on the Commission's Daily Calendar of June 11, 1971. There are no protests.

The Commission finds that:

1. Applicant possesses the experience 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.

The Commission concludes that the application should be granted as set forth in the ensuing order. The order which follows will provide, in the event the certificate is accepted, for the revocation of the certificate granted by Decision No. 77435 and the issuance of a certificate in appendix form to CF Air Freight, Inc.

CF Air Freight, 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 CF Air Freight, 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.


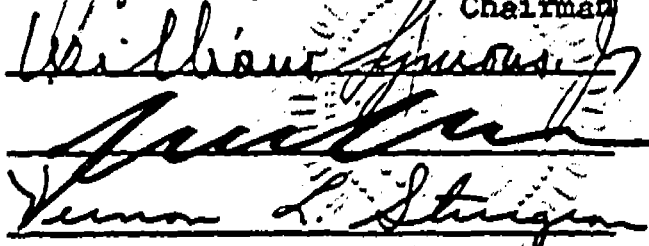

2. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations. Failure so to do may result in a cancellation of the operating authority granted by this decision.

- (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 ten days after the effective date of this order on not less than ten 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.

3. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 77435, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 2(b) hereof.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 21<sup>st</sup> day of AUGUST, 1971.

  
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Chairman  
  
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Vernon L. Strigun  
  
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Commissioners

CF Air Freight, 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 originating at one of the following airports:

Bakersfield-Kern County Airport  
 Fresno Air Terminal  
 Los Angeles International Airport  
 Merced Municipal Airport  
 Modesto Municipal Airport  
 Oakland International Airport  
 Sacramento Metropolitan Airport  
 San Diego International Airport  
 San Francisco International Airport  
 San Jose Municipal Airport  
 Santa Barbara Municipal Airport  
 Stockton Metropolitan Airport  
 Visalia Municipal Airport

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

Bakersfield	Oxnard
Chico	Palmdale
Crescent City	Palm Springs
Eureka	Paso Robles
Fresno	Red Bluff
Lake Tahoe	Redding
Los Angeles	Sacramento
Marysville	San Diego
Merced	San Francisco
Modesto	San Jose
Monterey	Santa Barbara
Oakland	Santa Maria
Ontario	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.
3. Domestic Air Express, 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