

ORIGINAL

Decision No. 80674

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of USAIR FREIGHT, INC., a corpora-
tion, for Certificate of Public
Convenience and Necessity as a
Freight forwarder of general
commodities between points in
the State of California.

Application No. 53379
(Filed June 2, 1972)

Martin Whitten, for applicant.
Peter N. Kujachich, for the Commission
staff.

O P I N I O N

Applicant requests that a certificate of public convenience and necessity be issued to authorize it to operate as an air freight forwarder of general commodities throughout the State of California, utilizing the lines of air common carriers, highway common carriers, and passenger stage corporations.

A public hearing was scheduled and held before Examiner Fraser on July 20, 1972 at San Francisco and the matter was submitted. There were appearances by the applicant and the Commission staff.

Applicant is a Delaware corporation which is qualified to do business in California. A certified copy of its Articles of Incorporation is attached to the original application herein. It is engaged in business as a domestic air freight forwarder under Civil Aeronautics Board Operating Authority No. 333, but holds no authority from this Commission.

Applicant operates as an air freight forwarder throughout the United States. It has offices and agents all over the United States and forwards freight between all points served by commercial air lines. Applicant picks up the freight by truck at the shipper's

place of business, consolidates the shipments and transports them to various air lines. Upon arrival at destination the shipments are transported from the airport to applicant's office or agent by truck, then rerouted by truck to the individual consignees. Goods will only be transported by highway common carriers or passenger stage corporations as underlying carriers in emergencies, when the regular air lines are not flying.

Applicant's proposed service will be on an "on call" basis and limited only by the schedules of carriers operating under authorization of the Civil Aeronautics Board or this Commission. Applicant will adopt rates and rules which are competitive with Emery Air Freight, on file as Air Freight Tariff No. 2, Cal. P.U.C. No. 2. Applicant's balance sheet and profit and loss statement for the year 1971 show the parent company and its subsidiaries had total assets of \$156,267,830 and a gross revenue of more than \$135,000,000. Current liabilities for 1971 totaled \$49,219,168.

The president of the applicant corporation testified that the movement of air freight cargo intrastate in California is required by applicant's large interstate shippers who are shipping goods with increasing volume and frequency to California. He noted that California's size and rapidly increasing population make it one of the world's most lucrative markets. Large manufacturers and shippers therefore consider it essential to open branch offices in California.

Copies of the application were mailed to 14 air lines, 14 air freight forwarders and to the San Francisco International Airport. It was also published in the Commission's Daily Calendar and no protests have been filed.

Upon consideration of the evidence the Commission finds that:

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.

We therefore conclude that the application should be granted.

USAIR 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. 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 USAIR Freight, Inc., authorizing it to operate as an air 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, for the transportation of general commodities between the points 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 3/54
day of OCTOBER, 1972.


President



Commissioners

USAIR 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, 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:

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
Laguna Beach	San Jose
South Lake Tahoe	San Luis Obispo
Lancaster	Santa Ana
Long Beach	Santa Barbara
Los Angeles	Santa Maria
Marysville	Santa Rosa
Merced	Stockton
Modesto	Ventura
Monterey	Visalia
Oakland	Yuba City
Ontario	

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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.

3. No collection or distribution service shall be provided by USAIR Freight, 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. USAIR Freight, 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, USAIR Freight, 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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