

Decision No. 85371**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of NETWORK COURIER SERVICE, a  
corporation, for certificates of  
public convenience and necessity  
as an air freight forwarder and  
as an express corporation of  
general commodities between  
points in the State of  
California.

Application No. 55754  
(Filed June 19, 1975;  
amended October 15, 1975)

O P I N I O N

Network Courier Service, a California corporation, seeks a certificate of public convenience and necessity authorizing it to operate as a freight forwarder and as an express corporation utilizing the lines of air common carriers, highway common carriers, and passenger stage corporations in the transportation of property by air having origin at airports in Los Angeles, Burbank, San Diego, Oakland, or San Francisco and terminating at various points in California. Following amendment to its application protests to the granting of the authority sought were withdrawn.

Applicant is engaged in business as a domestic freight forwarder under Civil Aeronautics Board Operating Authorization No. 404. It presently operates freight generating stations in Los Angeles, San Diego, San Francisco, Chicago, New York City, and Washington, D.C. It proposes to provide pickup and delivery service within 25 miles of the airports served. No collection or distribution service will be provided to or from any point more than 25 miles distant from any airport unless the service beyond is provided by a highway common carrier. In that regard it proposes to charge the shipper the highway common carrier rate for the beyond movement in addition to its charges for door-to-door service.

The basic operation contemplated by applicant as a freight forwarder is to consolidate freight for several shippers for movement by air. It is anticipated that there will be a greater movement of consolidated freight between the larger airports of Burbank, Los Angeles, San Diego, Oakland, and San Francisco. Its rates will take into consideration the consolidation of freight between those volume points. Additionally, the air freight rates between those points in many instances are lower than the rates to some of the smaller airports. As a result, and also because of the circumstances regarding the rates for service to points beyond 25 miles of an airport, the rates applicant proposes in some instances may be greater for shorter distances than for longer distances. Applicant requests that it be authorized to depart from the long- and short-haul prohibitions of Section 460 of the Public Utilities Code in that regard.

Financial statements appended to the application show that applicant has the financial ability to inaugurate and operate the proposed service.

The Commission's Transportation Division has reviewed the application and has recommended that, in the absence of protest, the sought authorities be granted without hearing.

We find that:

1. Applicant has the experience and financial ability required to institute and maintain the proposed service.
2. Public convenience and necessity require the operation by applicant of the proposed service.
3. Departure from the long- and short-haul prohibitions in connection with the establishment of rates by applicant between its break-bulk terminal points and in connection with its door-to-door service is justified.

4. There is reasonable certainty that the proposed operation will not have any significant effect upon the environment.

We conclude that the application should be granted. A public hearing is not necessary.

Network Courier Service is 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 granted to Network Courier Service, a California corporation, authorizing it to operate as a freight forwarder as defined in Section 220 of the Public Utilities Code, and as an express corporation as defined in Section 219 of the Public Utilities Code, as more particularly set forth in Appendix A of this decision.

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

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service 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 authorized service.
- (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-Series.
- (e) Applicant 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 required by the General Order.
- (g) Applicant shall comply with the requirements of the Commission's General Order No. 100-Series and the safety rules administered by the California Highway Patrol if applicant intends to operate a motor vehicle under this authority.

3. In the establishment of rates for transportation service as a freight forwarder or as an express corporation, Network Courier Service is authorized to establish and maintain lesser rates for a longer distance for the transportation of property between its major

consolidation terminal points at Burbank, Los Angeles, San Diego, Oakland, and San Francisco than for the transportation of property for shorter distances to other points, and in the establishment and maintenance of rates to or from points within 25 miles of an airport as compared to points beyond 25 miles of an airport.

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

Dated at San Francisco, California this 27<sup>th</sup> day of JANUARY, 1976.

[Signature]  
President  
William J. [Signature]  
[Signature]  
[Signature]  
[Signature]  
Commissioners

Network Courier Service, a California corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate as an air freight forwarder, as defined in Section 220 of the Public Utilities Code, and as an express corporation, as defined in Section 219 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 originating at one of the following airports:

Lockheed Air Terminal, Inc. (Burbank)  
Los Angeles International Airport  
San Francisco International Airport  
San Diego International Airport  
Oakland Airport

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

Arcata	Los Angeles	Salinas
Bakersfield	Marysville	San Bernardino
Blyth	Merced	San Diego
Burbank	Modesto	San Francisco
Chico	Monterey	San Jose
Crescent City	Oakland	San Luis Obispo
El Centro	Ontario	Santa Ana
Eureka	Oxnard	Santa Barbara
Fresno	Palmdale	Santa Maria
Indio	Palm Springs	Santa Rosa
Laguna Beach	Paso Robles	Stockton
Lake Tahoe	Redding	Ventura
Lancaster	Riverside	Visalia
Long Beach	Sacramento	Yuba City

2. The underlying carrier used by Network Courier Service between airports shall be an air common carrier, except that in emergencies only, such

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as an airport being closed because of inclement weather, highway common carriers or passenger stage corporations may be used as underlying carriers to provide the transportation.

3. No collection or distribution service shall be provided by Network Courier Service 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. Network Courier Service 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 Network Courier Service 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.
5. Network Courier Service shall not forward any shipments containing:
  - (a) Commodities prohibited by law from transportation by aircraft.
  - (b) Checks or money orders in the process of clearance and bank accounting data.

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