

Decision 82 06 028

JUN 2 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HAAS AIR CARGO, INC., a California)
 corporation, for a certificate of)
 public convenience and necessity to)
 operate as a highway common carrier.)

Application 61032
 (Filed November 3, 1981)

O P I N I O N

Haas Air Cargo, Inc. is a California corporation operating from a principal place of business located in Redwood City. It holds a highway contract carrier permit authorizing transportation of general commodities (T-132,383). It has applied under Public Utilities (PU) Code §§ 1063 and 1064 for a certificate of public convenience and necessity as a highway common carrier.

It proposes to transport general commodities with the usual exceptions within and between the following California counties: Alameda, Contra Costa, Fresno, Madera, Marin, Merced, Monterey, Napa, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, Stanislaus, and Yolo. If authority is granted it plans to establish rates, rules, and regulations consistent with the Commission's Transition Tariffs 1, 2, and 19, reserving the right to seek lower rates by application to the Commission; alternatively, it may file its own tariffs through a recognized tariff bureau. It claims that it has the financial ability to conduct the proposed operations. The application includes a six-months' income statement which shows a gross income of \$270,000 and a net of slightly under \$14,000.

Applicant claims to have the capability to perform the proposed services. Its equipment list shows seven bobtail trucks, four van-type vehicles, and a 22-foot flatbed truck. It has two management employees, approximately 20 drivers, a mechanic, and a mechanic's helper. It claims that these individuals are skilled and capable of providing service which will be satisfactory to the public.

Applicant hopes to provide expedited service Monday through Friday for pickup and delivery of truckload and less-than-truckload shipments moving between all points in the proposed service area. Applicant has, in the past, been able to provide overnight service within the scope of its permitted operation and plans to continue equivalent service as a certificated carrier. It notes that it is willing to make late evening pickups, unlike some competitive carriers.

As a contract carrier, applicant has operated under oral or private written agreements with several air freight forwarders (in intrastate commerce) or under the federal "incidental-to-air" exemption. Applicant's contract services were primarily of a pickup and delivery nature within the San Francisco Airport Exempt Zone. Since this Commission instituted its requirement that written contracts be submitted for public filing, applicant's customers have refused to execute agreements. In order to avoid being put out of business by this regulation, applicant has proposed to its customers that they continue to receive the same service as patrons of a common carrier. The shippers have uniformly agreed that they would use applicant's services on such a basis.

If the authority is granted, applicant plans to expand its customer list. This will enable it to enjoy better load factors.

Applicant claims that the continuous growth of air freight and parcel delivery in northern California demonstrates a clear public need for the type of service in which it specializes. It asserts that traffic having a prior or subsequent movement by air in intrastate commerce (for example, between Los Angeles and San Francisco) now moves farther by motor vehicle than was previously the case. It is for this reason that applicant has sought authority to operate beyond the immediate San Francisco Bay Area. Applicant also plans to carry exempt interstate and regulated intrastate air freight in the same load and thus to optimize its load factor.

This application was served upon California Trucking Association and notice of the filing appeared in the Commission's Daily Calendar of November 5, 1981. No protests have been received.

Applicant has not served copies of the application on likely competitors (Rule 21(f)). This rule has become impractical because of the great increase in the number of competitive highway common carriers of freight. We also note that there are few, if any, protests to applications for pure intrastate highway common carrier authority.

A new rule is in preparation. Pending publication of the new rule, we will grant a blanket waiver to any highway common carrier applicant who has served the California Trucking Association. This waiver will apply regardless of whether or not it is requested.

On March 30, 1982 applicant submitted a corrected balance sheet which includes the depreciated book value of its vehicles as a fixed asset. The statement is set forth in full in the table below:

Balance Sheet - December 31, 1981

Assets

Current Assets

Cash on Hand and in Banks	\$ 22,310
Accounts Receivable - Trade	65,490
Total Current Assets	<u>\$ 87,800</u>
Fixed Assets (Net Book Value)	25,070
Total	<u>\$112,870</u>

Liabilities And Stockholder's Equity

Current Liabilities

Accounts Payable - Trade	\$ 14,906
Accrued Payroll Taxes	2,888
Total Liabilities	<u>\$ 17,794</u>
Stockholder's Equity	95,076
Total	<u>\$112,870</u>

Findings of Fact

1. Applicant has the necessary fitness and financial ability to initiate and conduct the proposed operation.
2. Public convenience and necessity require the service proposed by applicant in intrastate commerce.
3. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
4. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.

Conclusion of Law

Public convenience and necessity require that applicant be authorized to engage in intrastate commerce and the application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Haas Air Cargo, Inc., a corporation, authorizing it to operate as a highway common carrier, as defined in PU Code § 213, between the points listed in Appendix A.
2. Applicant shall:
 - a. File a written acceptance of this certificate within 30 days after this order is effective.
 - b. Establish the authorized service and file tariffs within 120 days after this order is effective.

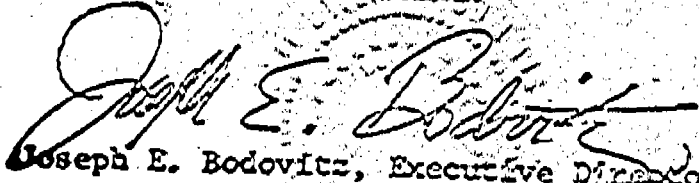
- c. State in its tariffs when service will start; allow at least 10 days' notice to the Commission; and make tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 80, 100, 104, and 147, and the California Highway Patrol safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Comply with General Order Series 84 (collect-on-delivery shipments). If applicant elects not to transport collect-on-delivery shipments, it shall file the tariff provisions required by that General Order.

This order becomes effective 30 days from today.

Dated JUN 2 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

Haas Air Cargo, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Public Utilities Code Section 213 for the transportation of general commodities as follows:

Within and between all points in the following counties:

Alameda	San Benito
Contra Costa	San Francisco
Fresno	San Joaquin
Madera	San Mateo
Marin	Santa Clara
Merced	Solano
Monterey	Sonoma
Napa	Stanislaus
Sacramento	Yolo

Except that under the authority granted, carrier shall not transport any shipments of:

1. Used household goods and personal effects, office, store, and institution furniture and fixtures.
2. Automobiles, trucks, and buses, new and used.
3. Ordinary livestock.

Issued by California Public Utilities Commission.

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4. Liquids, compressed gases, commodities in semiplastic form, and commodities in suspension in liquids in bulk in any tank truck or tank trailer.
5. Mining, building, paving, and construction materials, except cement or liquids, in bulk in dump truck equipment.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Portland or similar cements, either alone or in combination with lime or powdered limestone, in bulk or in packages, when loaded substantially to capacity.
8. Articles of extraordinary value.
9. Trailer coaches and campers, including integral parts and contents when contents are within the trailer coach or camper.
10. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
11. Explosives subject to U.S. Department of Transportation regulations governing the transportation of hazardous materials.
12. Fresh fruits, nuts, vegetables, logs, and unprocessed agricultural commodities.

13. Any commodity, the transportation or handling of which, because of width, length, height, weight, shape, or size, requires special authority from a governmental agency regulating the use of highways, roads, or streets.
14. Transportation of liquid or semisolid waste, or any other bulk liquid commodity in any vacuum-type tank truck or trailer.

In performing the service authorized, carrier may make use of any and all streets, roads, highways, and bridges necessary or convenient for the performance of this service.

(END OF APPENDIX A)