

ORIGINAL

Decision 83 03 022 JUL 20 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of EMERALD
TRANSPORTATION SYSTEM, INC.,
for a Certificate of Public
Convenience and Necessity to
institute operations as a
highway common carrier.

Application 83-03-21
(Filed March 7, 1983)

O P I N I O N

Applicant Emerald Transportation System, Inc., a California corporation, seeks a certificate of public convenience and necessity (CPC&N) as a highway common carrier under Public Utilities (PU) Code Section 1063 of the State of California. Applicant was previously granted a CPC&N in Decision 83-01-030 dated January 12, 1983 to transport passengers and express between Los Angeles and Santa Barbara, and between Los Angeles and San Diego. By this application applicant seeks authority to operate as a highway common carrier transporting general commodities (with the usual exceptions), maximum weight of 50 pounds per package, between points in the State of California, using limousines, conventional automobiles, and other types of motor vehicle suitable for the transportation of packages.

Notice of filing of the application appeared in the Commission's Daily Transportation Calendar of March 14, 1983. In addition, a copy of the application was served upon the California Trucking Association. No protests to the application have been filed with the Commission.

Applicant's proposed operations contemplate an expedited package service between major centers of population throughout the State. Applicant proposes to charge premium rates for its service based upon the mileage involved, the degree of expedition required by the shipper, and whether terminal-to-terminal or origin-and-destination service is involved. Applicant intends to establish terminal facilities in cities throughout the State. In this connection the application alleges applicant's principal shareholder has purchased a terminal facility in Culver City at a cost of \$1.7 million, and an adjacent facility is held on a lease basis with option to purchase at a price of \$1.3 million. A terminal facility located within the City of San Diego is under lease for a period of 15 years and an additional terminal facility is located in the City of Santa Barbara under a lease, again with an option to purchase. Additional facilities will be opened as operations progress.

Applicant believes a need exists for an expedited point-to-point package service which is not available from existing carriers. By way of example, applicant proposes a four-hour service between Los Angeles and San Diego, and the rates and charges will be at such levels as not to serve to divert any significant amount of traffic from existing transportation modes. Applicant states it has surveyed the California market and has determined that the potential for a new courier service, such as that contemplated, is significant, and that requests for such service have already been received. Applicant requests that inasmuch as the proposed service will not be competitive with any existing carrier and it desires to institute operations at the earliest possible date, this decision be made effective on the date of signing and the tariff filings be authorized on less than statutory notice.

Applicant has filed a list of 49 prospective shippers, together with an estimated number of pickups for each. A copy of the application was served on each of the potential shippers.

The balance sheet submitted by applicant reflects that as of January 31, 1983 applicant had total assets of \$952,312, including current assets of \$629,274 and current liabilities of \$123,220, long-term liabilities of \$754,092, and \$75,000 in stockholder's equity.

Findings of Fact

1. Applicant possesses satisfactory fitness and financial responsibility to conduct its proposed transportation service.
2. Public convenience and necessity require the service proposed by applicant.
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.
5. A public hearing is not necessary.

Conclusion of Law

Applicant has demonstrated public convenience and necessity, and the application should be granted. Since there have been no protests and applicant already has requests for the proposed service, the application should be granted effective today.

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 Emerald Transportation System, Inc., a California corporation, authorizing it to operate as a highway common carrier, as defined in PU Code Section 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 5 days after filing the written acceptance of the certificate.
- c. State in its tariffs when service will start; allow at least 5 days' notice to the Commission; and make tariffs effective 5 or more days after the filing of the tariffs.
- d. Comply with General Orders Series 80, 100, 123, and 147, and the California Highway Patrol safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.

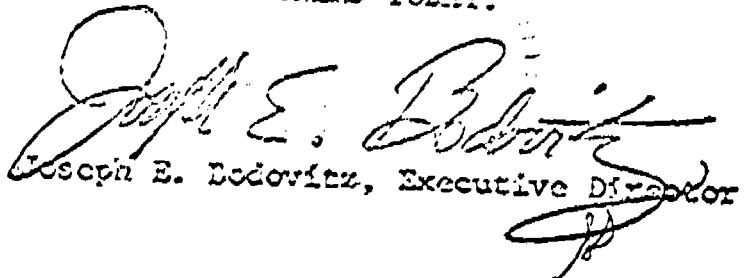
- f. Comply with General Order Series 84
(collect-on-delivery shipments).
If applicant elects not to transport
collect-on-delivery shipments, it
shall file the tariff provisions
required by that General Order.

This order is effective today.

Dated JUL 20 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BACEY
Commissioners

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


Joseph E. Bodovitz, Executive Director

Emerald Transportation System, 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 commodities moving in courier-type service, consisting of documents or parcels, weighing not more than 50 pounds each, as follows:

Between all points and places in the State of California:

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

1. Articles of extraordinary value.
2. Explosives subject to U.S. Department of Transportation regulations governing the transportation of hazardous materials.

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)

Issued by California Public Utilities Commission.

Decision 83 07 028, Application 83-03-21.