

ALW/ec

Decision 82 11 023

NOV 2 - 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of AIR EAGLE, INC., a corporation,)
for a certificate of public)
convenience and necessity to)
operate as a highway common)
carrier for the transportation of)
general commodities, with certain)
exceptions, between points in)
California.)

Application 83-05-53
(Filed May 23, 1983)

O P I N I O N

Air Eagle, Inc. (applicant), a California corporation, seeks authority as a highway common carrier. It now holds highway contract carrier authority (T-136,518).

It proposes to operate between all points in California. It will offer daily service with same day or overnight delivery, five days per week with on-call Saturday service. It plans to use either Transition Tariff or tariff bureau rates. It has two tractors, three bobtail trucks, four trailers, and two pickup trucks. It will use subhaulers for overflow traffic.

It apparently also operates as a warehouse. Applicant's balance sheet shows approximately \$50,000 in assets including \$4,000 of cash and \$28,000 of accounts receivable. Its equity is composed of \$25,000 of capital stock, and retained earnings approximating \$20,000 including last year's loss of over \$7,000. An income statement for the six months ending December 31, 1982 shows a net income before officers' salary of \$11,000, a gross revenue of \$152,000. 51% of that revenue is interstate revenue.

On July 7 applicant submitted support letters from five businesses.

The first is an "international freight forwarder and nonvessel operating common carrier." It is "required to obtain transportation services for ...[its] customers in connection with intrastate California freight." This business uses applicant's facilities in Inglewood for storage. It expects to tender applicant 20 to 40 metric tons per month. Shipments will originate in any part of the state of California and be destined to applicant's storage facility. This business will also arrange for the transportation of freight between all points in California. The following are typical origin and/or destination points: San Diego, Riverside, San Bernardino, Pomona, Torrance, Anaheim, Orange, Placentia, Santa Ana, Pasadena, Santa Monica, Vernon, City of Industry, Commerce, Bakersfield, Ventura, Santa Barbara, San Luis Obispo, Fresno, San Jose, San Francisco, Oakland, Sacramento, Redding, and Crescent City. A responsible company official states that:

"We feel that there is a need for the type of services that will be provided by Air Eagle and that it will be to the benefit of my company and the public if the application is granted."

The second business is also an "international freight forwarder" which uses applicant's warehouse and distribution facilities. It has shipments which will originate or be destined to all points within California, such as, Bakersfield, Sanger, San Diego, Carlsbad, Ventura, Santa Barbara, Upland, Los Angeles, Anaheim, Santa Ana, San Francisco, Oakland, Sacramento, Fresno, and San Jose. It expects to tender applicant 10,000 to 15,000 pounds per month with daily shipments. This company's reasons for supporting the application are identical to the first.

The third is an "international freight forwarder and custom-house broker." It also arranges intrastate transportation for its

clients. Shipments will either originate from or be destined to the warehouse facilities of Air Eagle. Representative points are San Diego, Chula Vista, Riverside, San Bernardino, Los Angeles, Orange, Santa Ana, Anaheim, City of Industry, Pomona, City of Commerce, Chatsworth, Ventura, Santa Barbara, Bakersfield, Fresno, San Jose, Sacramento, Oakland, San Rafael, San Francisco, Redding, and Crescent City. It expects to tender applicant one to five shipments per month ranging from 5,000 to 10,000 lbs. This company's reasons for supporting the application are identical to the first and second.

The fourth is an industrial sales organization representing manufacturers of computer parts. Shipments will originate throughout Southern California and be destined for Los Angeles, Torrance, El Segundo, Anaheim, Chatsworth, and San Diego. It will tender five to ten shipments per month, each weighing between 5,000 and 500 lbs.

The fifth is an industrial coating company apparently under common control with the fourth. It will ship between Los Angeles, Torrance, San Fernando Valley, Anaheim, Santa Ana, and San Diego. These companies' reasons for supporting the application are stated in terms nearly identical to the first three businesses.

Notice of the filing of this application appeared in the Commission's Daily Transportation Calendar on May 27, 1983. No protests have been received.

Findings of Fact

1. Applicant possesses satisfactory fitness and financial responsibility to conduct the proposed transportation services.
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

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 Air Eagle, Inc., a California 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, 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.
- g. Comply with General Order Series 102 and 130. If applicant elects to engage subhaulers, applicant shall have the required bond on file, and applicant shall engage only highway carriers who hold appropriate operating authority granted by this Commission.

This order becomes effective 30 days from today.

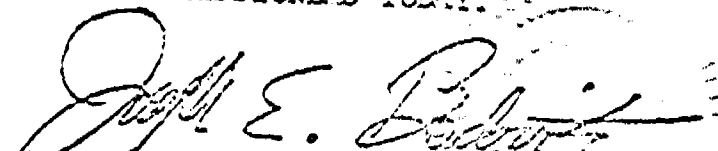
Dated NOV 2 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. CREW
WILLIAM T. BAGLEY
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

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


Joseph E. Bodovitz, Executive Director

Air Eagle, 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:

Between all points and places in the State of California.

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.
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.

Issued by California Public Utilities Commission.

Decision 83 11 023, in Application 83-05-53.

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 public 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 11 023, in Application 83-05-53.