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Decision 84 01 009**ORIGINAL**

JAN 5 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SKYWAY FREIGHT SYSTEMS, INC., a)
 corporation, for a certificate of)
 public convenience and necessity)
 authorizing operations as a highway)
 common carrier.)

Application 83-10-23
 (Filed October 17, 1983)

O P I N I O N

Skyway Freight Systems, Inc. (applicant), a California corporation, has its principal place of business in Santa Cruz, California. It presently holds no highway carrier authority from this Commission. It has, however, become an established air freight forwarder with terminals at Inglewood and San Jose, California. Both terminals now break bulk and load and unload trucks as well as handling pickup and delivery of air freight.

In the first six months of 1983, its gross revenues exceeded \$4 million producing a net income of \$340,000 before taxes. Its assets as of July 1, 1983 amounted to slightly over \$2 million, approximately half of which was accounts receivable. Its current liabilities as of that same date amounted to \$1.2 million and its shareholders' equity (including \$474,000 of retained earnings) was \$556,000. Applicant presently operates two van-type trucks, each with a 14-ton capacity. In conducting the proposed operations, it plans to acquire additional vehicles as needed to serve the public and, at least initially, employ subhauliers. The application is supported by 16 shippers, each of whom was served with a copy of the application. These shippers, with three exceptions, are high technology businesses, distributing, manufacturing, or supplying computers, communications equipment, or ancillary materials. One of

the exceptions manufactures brass buckles. Another manufactures metal stampings and a third is a distributor and manufacturer of cosmetics and toilet preparations. All but two of the 16 shippers receive substantial amounts of inbound freight from all points in California.

Applicant claims to have instituted a unique service, particularly attractive to manufacturers of high value merchandise. The key to applicant's operation is a computerized system which directly monitors outbound shipments. If this application is granted, applicant will extend this monitoring system to inbound shipments of raw materials and sub-assemblies used in manufacturing. It claims that the system will provide its shippers with a much greater degree of inventory control and reduced in-transit time.

Applicant contends, therefore, that it should be granted a highway common carrier certificate to serve all points in the State of California to transport general commodities with the usual exceptions.

Applicant has informed us that the supporting shippers are anxious to have the intrastate service begin as soon as possible. It also notes that no routine transportation matters will be considered by the Commission during December 1983. It therefore requests that any order herein be made effective when signed.

Notice of the filing of this application appeared in the Commission's Daily Transportation Calendar of October 20, 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.

6. Intrastate service by applicant should be commenced as soon as possible.

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 Skyway Freight Systems, 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 is effective today.

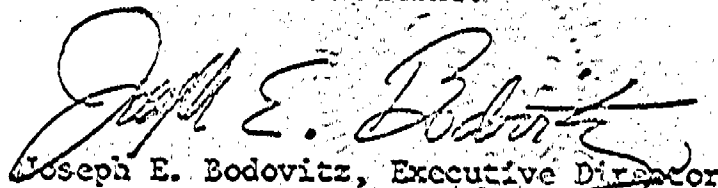
Dated JAN 5 1984, at San Francisco,

California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovitz, Executive Director

Skyway Freight Systems, 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.

Issued by California Public Utilities Commission.

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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. Fresh fruits, nuts, vegetables, logs, and unprocessed agricultural commodities.
11. 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.
12. 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)