

ORIGINAL

Decision No. 87818 SEP 7 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Emery Air Freight Corporation for authority to increase and decrease rates and charges, to amend freight forwarding authority, to change commodity exceptions, to apply for long/short departure (Section 460), and to deviate from minimum rates (Section 452))	
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)	Application No. 57318
)	(Filed May 17, 1977)
)	(Amended July 1, 1977)
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OPINION AND ORDER

Emery Air Freight Corporation, a corporation, operates as a freight forwarder between various points in California. By this application, as amended, it seeks to (1) increase the rates and charges in its tariff by approximately 55 percent;¹ (2) amend its freight forwarding authority² by adding service to and/or from the following airports: Bakersfield, Fresno, Merced, Monterey, Sacramento, San Diego, Santa Maria and Stockton and by deleting service to and/or from the following airports: Oakland and Lockheed Air Terminal (Burbank); (3) amend its authority by changing the exceptions to general commodities it is authorized to transport; (4) authority to depart from Section 460 of the Public Utilities Code; (5) deviate from the established minimum on shipments weighing from 1 to 5 pounds and (6) deviate from the established minimum for Collect on Delivery shipments.

Applicant states that it has only increased its rates by approximately 16 percent since its California Intrastate Airfreight Tariff No. 1, Cal. P.U.C. No. 6 was originally established

¹These rates are set forth in detail in California Intrastate Airfreight Tariff No. 2, Cal. P.U.C. No. 7.

²The authority was originally granted by Decision 46829 in Application 32454, dated March 11, 1952.

in 1969 until the last increase in February, 1977. While its interstate rates filed with the Civil Aeronautics Board were increased by more than 85 percent over these years. It has incurred, since 1969, approximate labor cost increases of 82 percent or more in Los Angeles and San Francisco. Applicant avers that the sought increases would provide it with the much needed revenue to offset the labor costs and other cost increases and to yield an increase in average monthly revenue from \$33,775 to \$52,351.

Applicant declares that the pickup and delivery points it proposes to add and delete will correspond and complement its interstate tariffs, rendering them uniform in connection with services it performs in California.

Applicant alleges that the proposed changes in the exceptions to general commodities now in effect in its interstate tariffs should, for the sake of uniformity, correspond with its intrastate tariff when offering similar service.

Applicant asserts that it requires the sought departure from Section 460 of the Public Utilities Act, because distance of air transportation is not directly related to costs of providing this service. Volume of shipments or weight has a much larger bearing on cost than does distance. Therefore, it is reasonable to charge more for a five pound shipment moving from San Diego to Fresno than a similar shipment moving to San Francisco even though the mileage is much less. This is caused by the air freight cost being greater to Fresno because of lack of shipment volume whereas the shipment moving to San Francisco would be consolidated with other shipments and move at the airlines' volume (discounted) rate.

Applicant affirms that the sought deviation from the established minimum on shipments weighing from 1 to 5 pounds is necessary to align its pricing structure within California with its nationwide pricing structure which has been in effect for some years.

Applicant stipulates that the sought deviation from the established minimum for Collect On Delivery service is necessary in order to offer the same level of charges as that which is offered on its interstate service.

The application and amendment were listed on the Commission's Daily Calendar of May 19, 1977 and July 6, 1977, respectively. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that:

1. Public convenience and necessity require the operation by applicant of the proposed service.
2. The proposed rate increases are reasonable and justified.
3. Public interest requires the establishment of service to and/or from the following airports: Bakersfield, Fresno, Merced, Monterey, Sacramento, San Diego, Santa Maria and Stockton.
4. The discontinuance of service at the Oakland Airport and Lockheed Air Terminal (Burbank) would not be adverse to the public interest.
5. The proposed changes in the exceptions to general commodities are reasonable and justified.
6. The sought departure from Sections 460 and 461.5 of the Public Utilities Code is justified.
7. The sought deviation from the established minimum on shipments weighing from 1 to 5 pounds is reasonable and justified.
8. The sought deviation from the established minimum for Collect On Delivery service is reasonable and justified.
9. The needs of commerce and the public interest require that the proposed rates be established.
10. The discontinuance of service at Oakland and Burbank would result in minimal technical increases.
11. Increases which may result in the event the proposed rate should expire with September 1, 1978 are justified.

The order which follows will provide for revocation of the present certificate held by Emery Air Freight Corporation and the issuance of a new certificate in appendix form to applicant.

The Commission concludes that the application should be granted to the extent indicated in the ensuing order and the effective date of this order should be the date hereof because there is an immediate need for this rate relief. A public hearing is not necessary.

IT IS ORDERED that:

1. Emery Air Freight Corporation, a corporation, is authorized to publish and file to expire with September 1, 1978 charges for Collect On Delivery and minimum charges on shipments weighing from 1 to 5 pounds as set forth, and subject to the conditions specified, in Appendix A attached hereto and by this reference made a part hereof.

2. Emery Air Freight Corporation, a corporation, is authorized to publish increased rates and charges as specifically proposed in the application.

3. Emery Air Freight Corporation, a corporation, is authorized to amend its California Intrastate Airfreight Tariff No. 2, Cal. P.U.C. No. 7 by adding and cancelling pickup and delivery points as specifically proposed in the application and as set forth in Appendix B of this decision.

4. Tariff publications authorized to be made as a result of the order herein may be made effective on one day's notice to the Commission and to the public.

5. Emery Air Freight Corporation, is authorized to depart from the provisions of Section 461.5 of the Public Utilities Code in establishing and maintaining the rates authorized herein. Schedules containing the rate published under this authority shall make reference to this order.

6. The certificate of public convenience and necessity granted by Decision 46829 is revoked effective concurrently with the effective date of this order.

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The effective date of this order is the date hereof.

Dated at San Francisco, California, this 7th day
of SEPTEMBER, 1977.

Robert Batmancil
President
William Lyons, Jr.
James P. Gwalle
David T. Smith
Commissioners

Commissioner Vernon L. Sturgeon, being
necessarily absent, did not participate
in the disposition of this proceeding.

Emery Air Freight Corporation, a corporation, is authorized to publish and file the following minimum charges, applicable only from airport-to-airport:

<u>Weight of Shipment</u> (In Pounds)	<u>Minimum Charge</u> (In Cents)
1	747
2	854
3	923
4	992
5	1062

Emery Air Freight Corporation, a corporation, is authorized to publish and file the following charges for collecting and remitting the amount of the Collect of Delivery:

<u>Amount Collected</u>	<u>Charge</u>
\$100.00 or less	\$2.00
\$100.01 through \$1,000.00	\$2.00 plus \$.60 for each \$100.00 or fraction thereof in excess of \$100.00
\$1000.01 and over	\$7.40 plus \$.50 for each \$100.00 or fraction thereof in excess of \$1000.00

In all other respects, the rates and rules in California Intrastate Airfreight Tariff No. 2, Cal. P.U.C. No. 7 shall apply.

(END OF APPENDIX A)

Emery Air Freight Corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to conduct operations as a freight forwarder, as defined in Section 220 of the Public Utilities Code, via the lines of air common carriers, highway common carriers and passenger stage corporations, subject to the following conditions:

General Commodities, except:

(a) Explosives, including fireworks, explosive devices and ammunition.

(b) Inflammable liquids, including all liquids with a flash point of 80°F or less (American Society for Testing Materials Method D-56-36), including

Carbon Bisulphide
Ethyl Chloride
Ethylene Oxide

Nickel Carbonyl
Zinc Ethyl
Spirits of nitroglycerine
in excess of one percent
by weight.

(c) Inflammable solids, including all solid substances which are liable to cause fires, through friction, through absorption of moisture, or through spontaneous chemical changes.

(d) Oxidizing materials, such as chlorates, permanganates, peroxides, or nitrates, which yield oxygen readily to stimulate combustion.

(e) Corrosive substances, including strong acids or alkalis, or wet storage batteries or other devices containing such substances.

(f) Compressed gases with gauge pressure exceeding 25 pounds per square inch at 70°F, or any inflammable liquid material having a vapor pressure (American Society for Testing Material Method D-323-43) exceeding 40 pounds per square inch absolute at 100°F.

(g) Vaporizing substances which give off dangerous or irritating vapors, including substances which give off such vapors when exposed to heat or moisture.

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- (h) "IN BOND" SHIPMENTS.
- (i) CORPSES, CREMATED OR DISINTERRED REMAINS.
- (j) Live animals except 1) mice, rats, hamsters, guinea pigs and rabbits, and 2) cats, dogs and monkeys destined to or originating at medical laboratories within the U.S.
- (k) Birds, fish, reptiles or insects.
- (l) Gold or other precious articles, namely: Art Works (with a declared value exceeding \$500.00 per shipment).
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| Coins, copper, gold or silver | Platinum |
| Currency, Paper | Precious stones, cut or uncut |
| Dore Bullion | Securities, negotiable |
| Gold Bullion, Cyanides, Dust, Sulphides or other uncoined gold | Silver Bullion, Concentrates, Cyanides, Precipitates, Sulphides, or other uncoined silver. |
| Jewelry (other than costume Jewelry) | |
- (m) FURNITURE OR HOUSEHOLD GOODS, used, not for resale, uncrated or unwrapped.
- (n) SHIPMENTS CONSIGNED "To Order Of" or "To Order - Notify".
- (o) SHIPMENTS requiring special care or attention between origin and destination.
- (p) Shipments not expressly covered by these rules or by the tariff which would be likely to cause damage to other shipments, equipment, crew, or passengers, or the carriage of which is prohibited by law.
- (q) Shipments which require the Forwarder to obtain a federal, state or local license for their transportation will not be accepted when the Forwarder has elected not to comply with such license requirements.
- (r) Shipments improperly packed or packaged.

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(s) Shipments of an inherent nature or defect which indicate to the Forwarder that such transportation could not be furnished by the Forwarder without loss of or damage to the shipment.

(t) Shipments not accompanied by proper documentation and the necessary information as required by a convention, statute or tariff applicable to such shipments.

BETWEEN POINTS AND PLACES ON AND ALONG THE FOLLOWING ROUTES:

A. SAN FRANCISCO VICINITY:

(a) From Richmond, on the north, to Hayward on the south both inclusive, and points intermediate thereto, via the San Francisco-Oakland Bay Toll Bridge and the San Mateo Toll Bridge, and via U. S. Highways 101 and 101 By-Pass, on the one hand, and San Francisco Municipal Airport, on the other hand.

(b) From San Francisco, on the north, to Burlingame, on the south, both points inclusive, and points intermediate thereto, via U. S. Highways 101 and 101 By-Pass, on the other hand, and San Francisco Municipal Airport, on the other hand.

B. LOS ANGELES VICINITY:

(a) From the Pacific Ocean (San Pedro) north along Pacific Avenue to 9th Street, thence west on 9th Street to Western Avenue, thence north on Western Avenue to Century Boulevard, thence west on Century Boulevard to Los Angeles Airport.

(b) From the Pacific Ocean (Long Beach) north on Atlantic Boulevard to Firestone Boulevard, thence west on Firestone Boulevard to Central Avenue, thence west on Manchester Avenue to Airport Boulevard, thence southwest to Los Angeles Airport.

(c) From the intersection of Sepulveda Boulevard and San Fernando Road south on Sepulveda Boulevard to Century Boulevard, thence east on Century Boulevard to Los Angeles Airport.

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(d) From the intersection of Valley Boulevard and Rosemead Avenue (El Monte) west on Valley Boulevard to Fremont Street, and thence west on Alhambra Avenue to Mission Road; west on Mission Road to Macy Street; north on Macy Street to Sunset Boulevard; west on Sunset Boulevard to Figueroa Street; south on Figueroa Street to Century Boulevard, thence west on Century Boulevard to Los Angeles Airport.

(e) From the intersection of San Fernando Road and Sepulveda Boulevard southeastward on San Fernando Road to Figueroa Street, thence south on Figueroa Street to Century Boulevard, thence north on Century Boulevard to Los Angeles Airport.

(f) From the intersection of Colorado Street and North Figueroa Street (Pasadena) southwest on Figueroa Street to Century Boulevard, thence west on Century Boulevard to Los Angeles Airport.

Service will be provided to points laterally within five (5) miles of the highways traversed on said routes.

(1) The above certificate of public convenience and necessity is granted subject to the following restriction:

No property shall be transported between the points or over the routes specified herein unless such property is part of a through shipment having prior or subsequent haul by air.

(2) That a certificate of public convenience and necessity be, and it hereby is, granted to Emery Air Freight Corporation, authorizing the establishment and operation of a service as a freight forwarder as that term is defined in Section 220 of the Public Utilities Code for the transportation of freight as defined and limited in ordering paragraph No. 1 herein between all points within the State of California subject to the following restrictions:

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- (a) Applicant shall not ship, or arrange to ship, any property unless the shipment is transported in part via the line of an air carrier; and
- (b) Applicant shall not ship, or arrange to ship, any property unless such property shall have its transportation by air originate or terminate or pass through one of the following airports:

Bakersfield
Fresno
Los Angeles
Merced
Monterey

Sacramento
San Diego
San Francisco
Santa Maria
Stockton

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