

ORIGINAL

Decision No. 88282 DEC 20 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of James F. Hauser, )  
Vice-President, Pacific Coast )  
Tariff Bureau, for and on behalf )  
of Air Express International )  
Corporation, by virtue of Power )  
of Attorney to said Pacific )  
Coast Tariff Bureau, for )  
authority to amend 9th Revised )  
Page 9 and 6th Revised Page 11, )  
of Air Express International )  
Corporation Air Freight Rate )  
Tariff No. 2, Cal. P.U.C. No. 3, )  
by increasing rates to the basis )  
shown in Exhibit 1, attached to )  
and made a part of this appli- )  
cation. )

Application No. 57659  
(Filed October 31, 1977)

-AND-

For authority to depart from the )  
terms of Sections 454 and 491 of )  
the Public Utilities Code when )  
accomplishing proposed publi- )  
cation. )

OPINION AND ORDER

By this application, James F. Hauser, Vice-President, Pacific Coast Tariff Bureau, seeks authority on behalf of Air Express International Corporation (AEIC) to increase various pickup and delivery rates and charges.<sup>1</sup>

Applicant states that AEIC has taken minimum rate increases from time to time as required by the Commission under various Decisions. However, its costs have so drastically increased over these past years that the need for a substantial rate increase is necessary to realize a profit.

<sup>1</sup>These rates are set forth in its Air Freight Rate Tariff No. 2, Cal. P.U.C. No. 3.

Applicant concludes that an across-the-board increase to the level maintained by Airborne Freight Corporation will permit AEIC to realize such a profit. Applicant contends that although the proposed rates represent a substantial increase over the present rates, such increases compare favorably with various increases granted by the Commission since December, 1966, in its minimum rate orders.

Applicant asserts that no shippers are opposed to the proposed rate increases. Applicant alleges that AEIC is operating at a loss under the present rates and will continue to do so until such time as the proposed rate increases are authorized.

Exhibit 2 attached to the application contains rates in effect in 1966 and rates subsequently increased and in effect in January, 1977, and Exhibit 3 contains rates that were increased pursuant to Decision 87734, effective September 2, 1977. The exhibits disclose that AEIC did not bring all its rates to the minimum rate level. Applicant has been advised by the Commission to make such adjustments as are necessary to bring some of the rates up to the minimum rate level. Its current level of rates are also below those published by Emery Air Freight Corp. and Airborne Freight Corp.

The application was listed on the Commission's Daily Calendar of November 2, 1977. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that applicant's proposal is reasonable and justified by transportation conditions. A public hearing is not necessary. The Commission concludes that the application should be granted.

In view of the urgency in this matter, the ensuing order will be made effective on the date hereof.

IT IS ORDERED that:

1. James F. Hauser, Vice-President, Pacific Coast Tariff Bureau, on behalf of Air Express International Corporation is

authorized to publish the rate increases in its Air Freight Rate Tariff No. 2, Cal. P.U.C. No. 3 as specifically proposed in the application.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 20th  
day of DECEMBER, 1977.

Robert Batinaich

President

William J. Lyons

Vernon J. Sturgeon

Charles D. Goble

Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.