

MS/FS

Decision No. 89284 AUG 22 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of TAF Airfreight, Inc. for Cer-)
tificate of Public Convenience)
and Necessity as a Freight For-)
warder of general commodities)
between points in the State of)
California.)

Application No. 58118
(Filed June 5, 1978)

OPINION AND ORDER

TAF Airfreight, Inc., a corporation, seeks a certificate of public convenience and necessity authorizing it to operate as a freight forwarder utilizing the lines of air common carriers, highway common carriers, and passenger stage corporations in the transportation of property by aircraft between Los Angeles, San Jose, and Santa Maria, California.

Applicant is engaged in business as a domestic freight forwarder under Civil Aeronautics Board Operating Authority Domestic No. 554 and Civil Aeronautics Board Operating Authority International No. 519. In California, it presently operates freight generating stations in Los Angeles and San Jose, and proposes to acquire additional agents at points it seeks to serve.

It proposes to provide pickup and delivery service within 25 statute miles of the airports served in California. No collection or distribution service will be provided to or from any point more than 25 statute miles distant from any airport unless the service beyond is provided by a highway common carrier. In that regard it proposes to charge the shipper the highway common carrier rate for the beyond movement in addition to its charges for door-to-door service.

Financial statements attached to the application show that applicant has the financial ability to establish and operate the proposed service.

The certificate of service indicates that forwarders in California, with whom applicant is likely to compete, were informed of applicant's request for freight forwarder authority. The application was listed on the Commission's Daily Calendar of June 9, 1978. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that:

1. Applicant has the experience and financial ability required to institute and maintain the proposed service.
2. Public convenience and necessity require the operation by applicant of the proposed service.
3. It can be seen with certainty that there is no possibility that the proposed activity will have a significant effect on the environment.
4. A public hearing is not necessary.

The Commission concludes that the application should be granted.

TAF Airfreight, Inc. is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or cancelled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to TAF Airfreight, Inc., a corporation, authorizing it to operate as a freight forwarder as defined in Section 220 of the Public Utilities Code as more particularly set forth in Appendix A of this decision.

2. TAF Airfreight, Inc. shall file a schedule of rates and charges as specifically proposed in Exhibit E of the application, which by reference is made a part hereof.

3. In providing service pursuant to the authority granted by this order, applicant shall comply with and observe the following service regulations. Failure to do so may result in a cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the authorized service.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order 117-Series.
- (e) Applicant shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.
- (f) Applicant shall comply with the requirements of the Commission's General Order 84-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings required by the General Order.

- (g) Applicant shall comply with the requirements of the Commission's General Order 100-Series and the safety rules administered by the California Highway Patrol if applicant intends to operate a motor vehicle under this authority.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 22nd day of AUGUST, 1978.

Robert Bateman
President
William J. Quon
Thomas L. Sturgeon

Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

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

TAF Airfreight, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate 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:

1. Applicant shall not ship or arrange to ship any property unless such property shall have transportation by aircraft originating at one of the following airports:

Long Beach Airport
Burbank Airport
Van Nuys Airport
San Jose Municipal Airport
Santa Maria Municipal Airport

on the one hand, and terminate at the following points served by air common carriers, on the other hand:

Long Beach
Los Angeles
San Jose
Santa Maria

2. The underlying carrier used by TAF Airfreight, Inc., between airports shall be an air common carrier, except that in emergencies only, such as an airport being closed because of inclement weather, highway common carriers or passenger stage corporations may be used as underlying carriers to provide the transportation.
3. No collection or distribution service shall be provided by TAF Airfreight, Inc. to or from any point more than 25 statute miles distant from any airport served by it unless said service beyond said 25 statute miles is performed by a highway common carrier. As used herein "point" means any point within 25 statute miles of the city limits of any city in which is located an airport, or 25 statute miles of any airport located in an unincorporated area.

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4. TAF Airfreight, Inc. shall establish door-to-door rates for service between airports, including points within 25 statute miles thereof as defined in paragraph 3 herein. On traffic moving to or from points beyond said 25-mile radius TAF Airfreight, Inc. shall, in addition to said door-to-door rates, assess the lawful tariff rates of any highway common carrier utilized to perform said beyond service.
5. TAF Airfreight, Inc. shall not forward any shipments containing:
 - (a) Commodities prohibited by law from transportation by aircraft.
 - (b) Checks or money orders in the process of clearance and bank accounting data.

(END OF APPENDIX A)

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