

Decision No. 89362 ~~SEP~~ 6 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of AIR COURIERS INTERNATIONAL, a)
corporation, for a certificate)
of public convenience and neces-)
sity to institute an express)
corporation service and freight)
forwarder.)

Application No. 57887
(Filed February 24, 1978)
(Amended June 2, 1978)

OPINION AND ORDER

Air Couriers International (Air Courier), a Maryland corporation, seeks a certificate of public convenience and necessity authorizing it to operate as an express corporation and 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 originating and/or terminating at the following airports and points served by air common carrier: Arcata, Bakersfield, Bishop, Blythe, Borrego Springs, Burbank, Carlsbad, Chico, Crescent City, El Centro, Eureka, Fresno, Fullerton, Indio, Laguna Beach, Lake Tahoe, Lancaster, Long Beach, Los Angeles, Marysville, Merced, Modesto, Mojave, Monterey, Oakland, Ontario, Orange County, Oxnard, Palmdale, Palm Springs, Paso Robles, Redding, Riverside, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, San Luis Obispo, Santa Ana, Santa Barbara, Santa Maria, Santa Rosa, Stockton, Ventura, Visalia and Yuba City.

Air Courier has authority from the Civil Aeronautics Board (SPRI, CAB No. 235) to operate as an interstate air freight forwarder. Granting this authority would enable Air Courier to serve its shipping public more efficiently by providing a complete specialized door-to-door service.

Air Courier proposes to move commodities it is authorized to transport by picking them up from the consignor's place of business, consolidating them, and transporting them to the airport for shipment by air common carrier to the destination airport, where the property would in turn be picked up by motor vehicle and after segregation be delivered to the consignee. Air Courier would assume responsibility for the through transportation of the property from origin to destination. Where air transportation is not available, applicant (Air Courier) will use such other means as its own vehicles or the vehicles of other authorized carriers.

Air Courier has entered and intends to enter into additional arrangements with major department store chains, stores, banks, insurance companies, financial institutions, law firms, educational institutions, medical institutions and other shippers to pick up or cause to be picked up checks, drafts, money orders, securities, transit items, sales audit items, business records, audit media, tabulation cards, small computer components, mechanical and electronic parts, small medical equipment and supplies including drugs and pharmaceuticals, data processing materials, legal documents and printed or reproduced documents at the main or branch offices of each shipper located throughout the State of California.

Air Courier's balance sheet shows capital stock of \$3,024, current earnings (before tax) of \$438,132 and retained earnings of \$420,280.

The certificate of service indicates that Air Courier mailed the application and amendment to various interested parties on May 30, 1978. The application and amendment were listed on the Commission's Daily Calendars of February 28 and June 8, 1978 respectively. No objection to the granting of the application, as amended, 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 reasonable 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, as amended, should be granted.

Air Courier International is hereby 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 canceled 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 Air Courier International authorizing it to operate as a freight forwarder and an express corporation as defined in Sections 220 and 219, respectively, of the Public Utilities Code and as more particularly set forth in Appendix A of this decision.
2. In providing service pursuant to the authority granted by this order, applicant shall comply with and observe the following service regulations. Failure so to do 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 No. 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 No. 84-Series for the transportation of collect on delivery shipments. If the 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 No. 100-Series and the safety rules administered by the California Highway Patrol if applicant intends to operate a motor vehicle under its freight forwarder authority.

A. 57887 - FS

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

Dated at San Francisco, California, this 6th day of SEPTEMBER, 1978.

Robert Bateman
President
William Brown J.
Raymond L. Stegeman
Charles D. Moore
Commissioners

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

Certificate of public convenience and necessity authorizing applicant to operate as an express corporation and a freight forwarder by air, as defined in Sections 219 and 220 of the California 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 and points served by air common carrier:

Arcata	Bakersfield	Bishop
Blythe	Borrego Springs	Burbank
Carlsbad	Chico	Crescent City
El Centro	Eureka	Fresno
Fullerton	Indio	Laguna Beach
Lake Tahoe	Lancaster	Long Beach
Los Angeles	Marysville	Merced
Modesto	Mojave	Monterey
Oakland	Ontario	Orange County
Oxnard	Palmdale	Palm Springs
Paso Robles	Redding	Riverside
Sacramento	Salinas	San Bernardino
San Diego	San Francisco	San Jose
San Luis Obispo	Santa Ana	Santa Barbara
Santa Maria	Santa Rosa	Stockton
Ventura	Visalia	Yuba City

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

Arcata	Bakersfield	Bishop
Blythe	Borrego Springs	Burbank
Carlsbad	Chico	Crescent City
El Centro	Eureka	Fresno
Fullerton	Indio	Laguna Beach
Lake Tahoe	Lancaster	Long Beach
Los Angeles	Marysville	Merced
Modesto	Mojave	Monterey
Oakland	Ontario	Orange County
Oxnard	Palmdale	Palm Springs
Paso Robles	Redding	Riverside
Sacramento	Salinas	San Bernardino
San Diego	San Francisco	San Jose
San Luis Obispo	Santa Ana	Santa Barbara
Santa Maria	Santa Rosa	Stockton
Ventura	Visalia	Yuba City

Issued by California Public Utilities Commission.

Decision 89362 Application 57887.

2. The underlying carriers used by AIR COURIERS INTERNATIONAL, between airports shall be air common carriers, 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 AIR COURIERS INTERNATIONAL to or from any point more than 25 statute miles 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.

4. AIR COURIERS INTERNATIONAL shall establish door-to-door rates for service between airports, including points within 25 miles thereof as defined in Paragraph 3 herein. On traffic moving to or from points beyond said 25-mile radius, AIR COURIERS INTERNATIONAL 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.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision 88362, Application 57887.