

Decision No. 61310**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of STEWART AIR SERVICE to increase )  
charter rates. )

Application No. 42828

OPINION AND ORDER

Edgar A. Stewart, doing business as Stewart Air Service, is a common carrier by air craft of passengers and property in the western part of the United States. He operates out of Hawthorne Airport with three Douglas DC-3 airplanes, one Douglas DC-4 airplane and one Beechcraft D-18 airplane. His tariff presently provides fares for "scheduled service" between various airports in southern California and also rates per mile for chartered service. The latter presently are uniform for all type of aircraft except that a lower minimum charge is maintained via Beechcraft airplane than by DC-3 aircraft. DC-4 aircraft are not specifically mentioned in the tariff.

According to his application filed November 4, 1960, applicant proposes to discontinue his "scheduled service" and cancel the fares provided therefor. All transportation of passengers will be performed under mileage rates for charter flights. Applicant proposes to increase the charter rates for DC-3 aircraft for the first 200 miles from \$1.00 to \$1.25 per mile. This represents a maximum increase per charter trip of \$50.00. Rates for the charter of DC-4 airplanes will be established at slightly more than double the rates for the DC-3. Applicant contends that the cost per mile of operating DC-4 airplanes is double that of operating the DC-3 airplane. The latter has an average payload of 5,000 pounds and has seats for

30 passengers. Its speed is about 180 miles per hour. The DC-4 provides a payload of 15,000 pounds, seats 70 passengers and has a speed of 220 miles per hour.

Applicant proposes some increase in the mileage rates for the DC-3 equipment and modification of the layover charges. He also proposes to establish new rates for DC-4 equipment approximately double those proposed for DC-3s. Some reductions in the rates for Beechcraft equipment are proposed.

Financial statements appended to the application show that applicant had a loss of \$13,523 for the second quarter of 1960 although he apparently had a profit of \$29,092 for the first and second quarter combined.

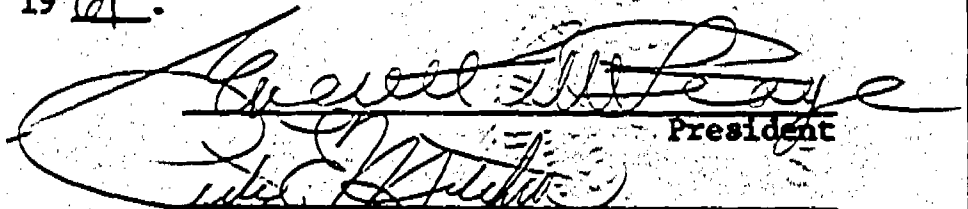
The proposed increases in charter rates for DC-3 airplanes are small. The chartering of DC-4 aircraft is a new service. Upon consideration of all of the facts and circumstances we are of the opinion and find that the increases proposed are justified and that applicant should be authorized to establish the proposed fares; a public hearing is not necessary. Therefore,

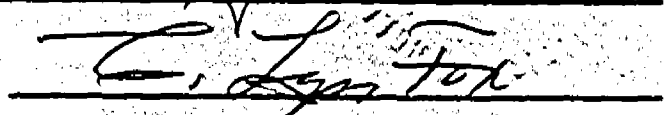
IT IS ORDERED that Edgar A. Stewart is authorized to establish, on not less than five days' notice to the Commission and to the public, the rates and fares proposed in his application filed November 4, 1960.

IT IS FURTHER ORDERED that the authority granted herein-  
above shall expire unless exercised within ninety days after the  
effective date of this order.

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

Dated at San Francisco, California, this 4<sup>th</sup> day  
of JANUARY, 19 61.

  
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President

  
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Commissioners