

ORIGINALDecision No. 71384

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
 C & W AVIATION CORPORATION, a)
 corporation, DBA C-AIR, INC., for a)
 certificate of public convenience)
 and necessity as a passenger air)
 carrier between the airports of)
 Riverside, Redlands and Los Angeles)
 International Airport, pursuant to)
 Sections 2753-2756 of the California)
 Public Utilities Code.)

Application No. 47884
 (Filed September 10, 1965)

Russell & Schureman by R. Y. Schureman
 and Carl H. Fritze, for applicant.
Martin J. Burke and S. J. Slade, for
Los Angeles Airways, Inc., protestant.
John H. Wagner, for City of Redlands;
Robert W. Russell by K. D. Wolpert,
 for City of Los Angeles; Richard L.
Moeller, for ABC Airlines, interested
 parties.
B. A. Peeters, E. C. Crawford, Leonard
Diamond, George L. Hunt and Fred
Ballenger, for the Commission staff.

O P I N I O N

Decision No. 69717 dated September 21, 1965 granted a temporary certificate of public convenience and necessity to applicant authorizing passenger air carrier service between Los Angeles International Airport, Riverside Airport and Redlands Airport.

Public hearings were held before Examiner Gravelle at Redlands on October 18 and 19, 1965 and at Los Angeles on December 6, 7 and 10, 1965 and September 27, 1966, and before Examiner Barnett at Redlands on April 20, 1966.

Numerous persons testified in support of the applicant and as to the need for the service at the Redlands hearings. This testimony for the most part indicates that the area around Redlands

is changing from one primarily devoted to agriculture to an industrial complex. Because of this change the need for fast, convenient and efficient air transportation with Los Angeles International Airport (LAX), the major air terminal in the general area, is rapidly brought into focus.

Applicant commenced operations on June 15, 1965. On April 8, 1966 a notice on behalf of applicant was filed pursuant to Section 2763 of the Public Utilities Code advising the Commission that not later than May 7, 1966 applicant would cease operations because they were unprofitable and requesting that the Commission dismiss the application and terminate the temporary certificate forthwith. On April 29, 1966 applicant filed Application No. 48444 by which it sought an increase in its fares from \$6.50 plus tax per passenger one-way, to \$10.50 plus tax per passenger one-way. The Commission by Decision No. 70818 dated June 8, 1966 and effective that date granted the fare increase. By letter dated June 9, 1966 applicant withdrew its notice of intention to discontinue operations which had been filed on April 8, 1966.

On September 19, 1966 applicant filed "Petition For Termination Of Interim Operating Authority And Dismissal Of Application." It was therein alleged that operations had continued to be unprofitable and that pursuant to Section 2763 it intended to discontinue operations. It also alleged that it could no longer provide service to LAX after September 19, 1966 due to the fact that it had no place to embark or debark passengers at LAX having been ordered by Continental Air Lines, Inc. with which it had an arrangement for passenger handling to vacate the Continental Air Lines, Inc. satellite at LAX. Applicant therefore asked for immediate relief from

the Commission of its public utility responsibility instead of waiting for the thirty day period provided in Section 2763.

At the hearing of September 27, 1966 applicant's president testified to his efforts to secure some means of passenger handling at LAX. All such efforts had been unsuccessful both prior to and after applicant was given notice to vacate by Continental Air Lines, Inc. He also testified to applicant's financial status and presented Exhibit No. 26 which indicated a \$54,504.05 loss for the period April 1966 through September 19, 1966. He estimated that for the fiscal year ending April 30, 1966 the certificated operation had suffered a total loss of \$135,000. Decision No. 70818 in Application No. 48444 indicated that applicant would lose money even with the fare increase granted by the Commission.

While there exists a need for service such as that offered by applicant it does not appear that applicant can economically serve that need. No useful purpose would be accomplished by requiring applicant to offer a service it cannot physically provide for the balance of the thirty day period provided by Public Utilities Code Section 2763.

O R D E R

IT IS ORDERED that:

1. The temporary certificate of public convenience and necessity issued to C & W Aviation Corporation by Decision No. 69717 dated September 21, 1965 is hereby revoked.

2. Application No. 47884 of C & W Aviation Corporation is hereby dismissed.

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

Dated at San Francisco, California, this 4th day of OCTOBER, 1966.

Edward E. Mitchell
President

George E. Grover

Fredrick B. Haliloff

Augustin

William M. Bennett

Commissioners