

ORIGINAL

Decision No. 72637

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own Motion into the operations and practices of San Francisco & Oakland Helicopter Airlines, Inc., a corporation.

Case No. 8314
Filed December 7, 1965

O P I N I O N

On December 7, 1965, the Commission instituted an investigation into the operations and practices of San Francisco & Oakland Helicopter Airlines, Inc., and Bell Aerosystems Co., a Division of Bell Aerospace Corporation, for the purposes of determining:

1. Whether respondents, or either of them, are operating "vessels" within the meaning of the Public Utilities Code as common carriers and "public utilities" without first having obtained a certificate or certificates of public convenience and necessity.
2. Whether respondents, or either of them, should be ordered to cease and desist from any and all such operations until appropriate certificate or certificates shall have been obtained.
3. Whether respondents, or either of them, are operating as a "transportation company" within the meaning of Article XII, Section 20 of the Constitution of California, without having filed tariffs with the Commission, and if so, whether respondents, or either of them, should be ordered to file tariffs with the Commission.

4. Whether any other order or orders that may be appropriate should be entered in the lawful exercise of the Commission's jurisdiction.

By Decision No. 70398, issued March 1, 1966, this Commission discontinued its investigation as to respondent Bell Aerosystems Co., a Division of Bell Aerospace Corporation.

At a prehearing conference attended by representatives of the Commission staff, representatives of respondent San Francisco & Oakland Helicopter Airlines, Inc., and Examiner Cline on January 13, 1967, the parties agreed that they would seek to enter into and file a stipulation which could be the basis for the issuance of a decision by the Commission in this matter. Such a stipulation was filed herein on May 5, 1967. By memorandum dated May 12, 1967, the Counsel for the Commission staff has requested that the Commission issue its decision on the basis of this stipulation. Said memorandum is hereby made a part of the record herein as Exhibit No. 1.

Based upon a consideration of the stipulation the Commission finds as follows:

1. The application of the Port of Oakland filed in April 1964 with the Housing and Home Finance Agency of the United States (HHFA herein) for a mass transportation grant was approved in early 1965.

2. On February 1, 1965, San Francisco & Oakland Helicopter Airlines, Inc., (SFO herein) entered into an agreement with the Port of Oakland to operate and maintain for the first time in the United States a type of air-cushion vehicle, known commercially as the "Hovercraft", in a passenger operation on a trial basis on San Francisco Bay, utilizing two Hovercraft vehicles leased from Bell Aerosystems Company by the Port of Oakland and subleased to SFO.

3. SFO obtained an exemption from the Civil Aeronautics Board (CAB herein) to permit it to operate Hovercraft vehicles in passenger service over portions of CAB Route 103, which route is covered by SFO's certificate of public convenience and necessity issued by CAB and includes segments between the San Francisco International Airport and the Metropolitan Oakland International Airport, and from each of such points to a site in downtown San Francisco.

4. The trial program covered a 20-month period, the first six months of which were spent by SFO testing the vehicle, training operating and maintenance personnel, and completing arrangements for terminal facilities at the two airports and at a site in downtown San Francisco, the next 12 months of which consisted of an operational period during which passengers were transported between the San Francisco and Oakland airports and between the Oakland airport and the downtown San Francisco, and the last two months of which were a period for evaluation of the program.

5. Hovercraft passenger service began in August 1965, and was in addition to SFO's regularly scheduled helicopter operations, with charges being made at the helicopter rates on file with the Commission.

6. The passenger operations with the Hovercraft terminated in August 1966, and have not been resumed by SFO and the trial program has terminated.

7. The Hovercraft is a passenger vehicle supported by a compressed air-cushion, forced downward by ducted fans and propelled by a standard variable pitch four-bladed propeller shafted from a General Electric CT-58 LM 100 aircraft jet engine of 1050 shaft horsepower. As an aid in retaining the compressed air bubble

underneath the craft, a thin, flexible rubber skirt is attached to the bottom of the vehicle and hangs down toward the ground. The rubber skirt is semipermanently attached and is removed only when worn and in need of replacement. Its principal function is to increase the hover height.

8. Movement around the vertical axis (yaw) is accomplished with a rudder. Movement around the lateral axis (pitch) is accomplished with an elevator control. Movement about the longitudinal axis (roll) is accomplished by a mechanical device to lift the skirt. The vehicle makes a fully coordinated and banked turn without touching the surface of land or water.

9. The air-cushion vehicle used in the experiment skims over the water or land at a height varying from seven inches to four feet, and makes landings by skimming up specifically constructed ramps out of the water. The Hovercrafts used in the program were capable of carrying 14 passengers with one pilot and one radio operator at speeds up to 75 miles per hour. The hull of the equipment used was manufactured by Westland Aircraft, Ltd., of England, and the engine was manufactured in the United States.

Based upon a consideration of the foregoing findings and the stipulation filed herein the Commission concludes that:

1. The air-cushion vehicle passenger operations of SFO are the operations of a "transportation company" within the meaning of that term as used in Article XII, Section 20, of the Constitution of the State of California.

2. SFO should be authorized to discontinue its intrastate air-cushion vehicle passenger operations.

3. SFO should be required to make an initial filing of a tariff with this Commission covering its intrastate air-cushion vehicle passenger operations prior to recommencing such operations in California.

O R D E R

IT IS ORDERED that:

1. San Francisco & Oakland Helicopter Airlines, Inc., is authorized to discontinue its intrastate air-cushion vehicle passenger operations.

2. San Francisco & Oakland Helicopter Airlines, Inc., shall make an initial filing of a tariff with this Commission covering its intrastate air-cushion passenger operations prior to recommencing such operations in California.

3. The Commission investigation herein is discontinued.

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

Dated at San Francisco, California, this 20th day of JUNE, 1967.

[Signature]
President
[Signature]
[Signature]
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Commissioners