

ORIGINALDecision No. 74325

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of GOLDEN WEST AIRLINES, INC.
for a Certificate of Public
Convenience and Necessity.

Application No. 49724
(Filed October 13, 1967)

In the Matter of the Application
of GOLDEN WEST AIRLINES, INC.
for a Certificate of Public
Convenience and Necessity.

Application No. 49888
(Filed December 20, 1967)

Martineau & Knudson, by Glenn B. Martineau
and Gerald R. Knudson, Jr., for applicant.
Cooper, White & Cooper by R. Barry Churton,
for Pacific Air Lines, Inc.; Stephen J.
Slade, for Los Angeles Airways, Inc.,
protestants.
Gengiz M. Nazim, for TWA; Donald Robert Newell,
for Cable Commuter Airlines, interested
parties.
John C. Gilman, Counsel, Robert W. Hannam and
Edward Crawford, for the Commission staff.

O P I N I O N

By Application No. 49724 Golden West Airlines, Inc. seeks a certificate of public convenience and necessity as a passenger air carrier between (a) Los Angeles International Airport and Oxnard-Ventura County Airport. By Application No. 49888 Golden West Airlines, Inc. seeks a certificate of public convenience and necessity as a passenger air carrier between (a) Santa Barbara - Hollywood - Burbank, (b) Bakersfield (Meadows Airport) - Hollywood - Burbank, (c) Hollywood - Burbank Airport and Santa Ana (Orange County Airport), (d) Hollywood - Burbank Airport - Palm Springs Airport with a flag stop at Redlands Airport, (e) Hollywood - Burbank Airport - Los Angeles International Airport, (f) Los Angeles International Airport and Riverside Municipal Airport.

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The proposed passenger fares to be charged are on a one-way basis.

Santa Barbara to Los Angeles International Airport via Burbank	\$12.00
Santa Barbara to Burbank	10.50
Burbank to Los Angeles International Airport	5.50
Bakersfield to Los Angeles International Airport via Burbank	13.50
Bakersfield to Burbank	11.50
Burbank to Santa Ana	11.50
Burbank to Palm Springs	13.50
Burbank to Redlands	11.00
Redlands to Palm Springs	10.00
Los Angeles International Airport to Riverside	10.00
Los Angeles International Airport to Oxnard-Ventura County Airport	12.50

Applicant proposes initial schedules of two to four daily flights over the various routes requested.

Golden West Airlines, Inc. presently has authority, Decision No. 73613, Application No. 49532, to operate as a passenger air carrier between (a) Palomar Airport - Orange County Airport - Los Angeles International Airport, (b) Redlands Airport, Brackett Field at La Verne - Los Angeles International Airport. Applications Nos. 49724 and 49888 were consolidated for hearing.

Public hearing was held before Examiner Porter at Los Angeles January 24 - February 6, 7, 8, 1968; on the last named date the matter was submitted.

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A. 49724, 49888 lm *

The evidence applicant presented as to business experience in the field of air operations and insurance coverage will not be discussed here as the Commission has heretofore found in Decision No. 73613 that Golden West Airlines, Inc. possessed the requisite business experience in the field of air operations and maintains in effect the minimum insurance coverage.

Applicant received \$533,400 in cash from the founding group; in addition, \$725,000 was raised by 80 percent financing of existing aircraft; and an underwriting commitment has been obtained which will net it approximately \$1,325,000.

Applicant has one Cessna Model 402 and two DHC-6 Twin Otters. Also, it has options for the purchase of two similar Cessna planes and has placed deposits on three additional Twin Otters.

Evidence was also produced through Systems Associates as to Riverside - Los Angeles International Airport showing a total potential commuter load both ways of 28,100 persons per month. With respect to the Oxnard - Ventura - Los Angeles International Airport route, Johnson Research Associates estimate that Golden West Airlines, Inc. should obtain 2,600 passengers a month out of 29,000 available. Systems Associates estimated that Golden West Airlines, Inc. should receive 15,000 passengers a month on its Burbank - Los Angeles International Airport segment. As to the uncontested Orange County - Burbank route, Systems Associates' survey estimates indicate that Golden West Airlines, Inc. should expect in excess of 2,000 passengers and on the Burbank - Palm Springs route should have 1,200 users. Finally Johnson Associates expect Golden West Airlines, Inc. to have 1,800 passengers a month on the Burbank - Santa Barbara segment and 1,240 a month on the Burbank - Bakersfield run.

These survey figures were not successfully challenged. The protestants in the main based their objections upon the grounds that there will be a potential diversion of the traffic market and that Golden West Airlines, Inc. should prove itself on its existing routes before it receives the authority requested in this case. The protestants' objection based upon possible diversion of traffic was not supported by the evidence nor did they seriously challenge the evidence produced by applicant as to the potential traffic available for the routes proposed.

Part 2 of Chapter 4 of Division 1 of the Public Utilities Code provides adequate authority to this Commission over a certificate holder as to its ability to perform the certificated service granted.

Findings

1. Golden West Airlines, Inc. possesses the business experience in the field of air operations, the financial stability and the requisite insurance coverage to receive a certificate of public convenience and necessity.
2. There presently exists a public need for the passenger air carrier service proposed by Golden West Airlines, Inc.
3. Golden West Airlines, Inc. can presently give adequate service to the communities involved flying the minimum schedules proposed.
4. Protestants presented insufficient evidence to substantiate that the proposed operations of applicant would be detrimental to their operations.

Based upon the foregoing findings of fact the Commission concludes that the applications should be granted.

Golden West Airlines, Inc., 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 over a particular route. 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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Golden West Airlines, Inc., authorizing it to operate as a passenger air carrier as defined in Section 2741 of the Public Utilities Code, as set forth in First Revised Page 1 and Original Page 2 of Appendix A, attached hereto and hereby made a part hereof.

2. Appendix A of Decision No. 73613 is amended by incorporating therein the attached First Revised Page 1, in revision of Original Page 1, and Original Page 2.

3. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required,

among other things, to file annual reports of its operations and to comply with and observe the insurance requirements of the Commission's General Order No. 120-A. Failure to file such reports in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 120-A, may result in a cancellation of the operating authority granted by this decision.

- (b) Within one hundred and twenty days after the effective date hereof, applicant shall establish the service herein authorized and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the service herein authorized.
- (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. 105-A.

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

Dated at San Francisco, California, this 2nd
day of JULY, 1968.

[Signature]
President
[Signature]
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Commissioners

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Appendix A
(Dec. 73613)

GOLDEN WEST AIRLINES, INC.

First Revised Page 1
Cancels
Original Page 1

Golden West Airlines, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport passengers by air in either direction at a minimum of scheduled round trip flights daily as set forth below.

1. Santa Barbara Airport and Hollywood-Burbank Airport. Three round trips daily.
2. Bakersfield (Meadows Airport) and Hollywood-Burbank Airport. Three round trips daily.
3. Hollywood-Burbank Airport and Santa Ana (Orange County Airport). Three round trips daily.
4. Hollywood-Burbank Airport and Palm Springs Airport, with a flag stop at Redlands Airport. Two round trips daily.
5. Hollywood-Burbank Airport and Los Angeles International Airport. Three round trips daily.
6. Los Angeles International Airport and Riverside Municipal Airport. Three round trips daily.
7. Los Angeles International Airport and Oxnard-Ventura County Airport. Four round trips daily.

Issued by California Public Utilities Commission.

Decision No. 74325, Applications Nos. 49724 and 49888.

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Appendix A
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GOLDEN WEST AIRLINES, INC. Original Page 2

In the interest of clarity, the operating rights granted Golden West Airlines, Inc., in Decision 73613 are restated. These routes, numbered additionally, are:

8. Palomar Airport--Orange County Airport--Los Angeles International Airport. Minimum of six scheduled round-trips daily.

9. Redlands Airport--Brackett Field--Los Angeles International Airport. Minimum of six scheduled round-trips daily.

Golden West Airlines, Inc., shall not fail to land at all intermediate points on its routes unless it has a full load of passengers with none destined for the intermediate points.

Restriction - Without further authority, Golden West Airlines, Inc., is restricted in its passenger air carrier operations to the above routes, designated 1 through 9, and may not establish direct service from points on one route to points on any other route.

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