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ORIGINAL

Decision No. 74373

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LOS ANGELES AIR TAXI SERVICE, INC.,
a corporation, for a certificate of
public convenience and necessity as
a passenger air carrier between the
airports of Palm Springs and
Santa Monica, pursuant to
Sections 2753 - 2756 of the
California Public Utilities Code.

Application No. 49920
(Filed December 29, 1967)

Ronald T. Golan, for applicant.
Richard D. Gravelle, Counsel, and
Edward C. Crawford, for the
Commission staff.

O P I N I O N

By this application, Los Angeles Air Taxi Service, Inc. seeks a certificate of public convenience and necessity as a passenger air carrier between the airports of Santa Monica and Palm Springs.

Public hearing was held before Examiner Porter at Los Angeles on April 2 and 3, 1968.

Applicant is engaged in business within the State of California as an air taxi/commercial operator, principally carrying passengers between Santa Monica Airport and Palm Springs Airport. Applicant was originally incorporated to provide a specialized air transportation service to the motion picture and television industry. Applicant presently does charter work for the movie industry.

Applicant presented evidence concerning its insurance coverage, which is in excess of that required by this Commission.

Through Harold C. Conners, the president of applicant, evidence was produced regarding the business experience of applicant's personnel in the field of air operations. The evidence shows that

applicant's president, Colonel Harold C. Connors, has had considerable experience in aircraft operations, including fixed-based and air taxi operations. Applicant employs a full-time director of maintenance who possesses various F.A.A. certificates of qualification in connection with single and multi-engine aircraft, and who has been active in the airlines industry for over twenty years. Applicant also has arrangements at the Santa Monica Airport for maintenance of its aircraft under the supervision of its director of maintenance, and also employs resident sales personnel in addition to its regular staff of service and operations personnel. Applicant estimates that on a regular scheduled service it would carry between 200 and 300 passengers a month, with a lesser number carried during June, July and August.

Applicant presently operates a D-18-S Beech, a Piper Aztec C, a Piper Aztec B, a Cessna 310 D, a twin Commanche and a 680 F Supercharged Aero Commander.

Exhibit C attached to the application, "Statement of Financial Condition August 31, 1967" shows total assets of \$32,156. Exhibit 3 is a letter addressed to this Commission which, in substance, pledges funds to support the schedule proposed in the application by the directors of the corporation, individually and collectively.

Applicant also presented witnesses representing resort or hotel interests and civic groups in the Palm Springs area as to the need for the service.

There were no protests to the application.

The proposed fares to be charged are:

Santa Monica/Palm Springs -

One way
Round trip

\$15.24 per person
30.48 per person

Applicant proposes to operate
one round trip daily.

Findings

The Commission finds that:

1. Los Angeles Air Taxi Service, Inc. possesses the business experience in the field of air operations and the requisite insurance coverage to operate as a passenger air carrier.
2. The present and prospective financial stability of Los Angeles Air Taxi Service, Inc., is adequate for the purposes of this application.
3. There presently exists a public need for the passenger air carrier service proposed by Los Angeles Air Taxi Service, Inc.
4. Los Angeles Air Taxi Service, Inc. can economically give adequate service to the communities involved, flying the minimum schedule proposed and charging the fares set forth in the ensuing order.

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

Los Angeles Air Taxi Service, 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 Los Angeles Air Taxi Service, Inc., authorizing it to operate as a passenger air carrier as defined in Section 2741 of the Public Utilities Code as set forth in Appendix A, attached hereto and hereby made a part hereof.

2. 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 twenty days after the date hereof.

Dated at San Francisco, California, this 9th day of JULY, 1968.

William J. Sweeney, Jr.
President

William M. Bennett

Argator

John P. Monussey
Commissioners

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Appendix A

LOS ANGELES AIR TAXI SERVICE, INC. Original Page 1

Los Angeles Air Taxi Service, 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 one scheduled round trip flight daily between Santa Monica and Palm Springs.

Issued by California Public Utilities Commission.

Decision No. 74373, Application No. 49920.