

ORIGINAL

Decision No. 75372

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SWIFT-AIRE LINES, INC., a corporation,)
for authorization to operate as a)
passenger air carrier and freight air)
carrier, between San Luis Obispo and)
Sacramento, via San Francisco, and)
between San Luis Obispo and Los Angeles.)

Application No. 50642
(Filed October 23, 1968)

Charles G. Wiswell, for applicant.
S. M. Boikan, Counsel, and R. Hannam, for the
Commission staff.

O P I N I O N

By this application Swift-Aire Lines, Inc., seeks a certificate of public convenience and necessity as a passenger air carrier between San Luis Obispo, and Sacramento, California, by way of San Francisco, and between San Luis Obispo and Los Angeles, California. The above-named cities would be scheduled stops. Additionally "flag stops" would be made by prearrangement at points between San Luis Obispo and San Francisco.

The carrier also seeks to initiate air freight service. No authority of this Commission is required for this service, except the carrier shall file tariffs and insurance certificates pursuant to General Order No. 105-A and 120-B respectively prior to beginning such service.

Public hearing was held before Examiner Porter at San Luis Obispo on December 17, 1968.

There was no protest to the application.

Swift-Aire Lines, Inc., is a newly formed company. The founders of the company are successful businessmen in the San Luis Obispo area and all have flying experience as licensed pilots.

Swift-Aire Lines, Inc., has been authorized to issue capital stock in the amount of \$100,000. The three founders of Swift-Aire Lines, Inc., have subscribed to shares in the amount of \$10,000 each and other individuals have subscribed to sums of \$5,000 each for a total of \$40,000. A credit is being established with a local bank.

Applicant intends to carry insurance coverage, which will be in excess of that required by this Commission.

Applicant proposes the following one-way fares:

Los Angeles-San Luis Obispo	\$25.00
San Francisco-San Luis Obispo ...	27.00
Sacramento-San Luis Obispo	37.00

Initially, applicant will provide the proposed service with nine-seat P.A. 31 (Navajo) aircraft.

Witnesses testified in support of the application and as to the need for the type of service contemplated by applicant. This group of witnesses included public officials and representatives of business and industry in the area of proposed service. In addition, a number of resolutions from various cities and Chambers of Commerce favoring the proposed service were appended to the application.

Findings

1. Swift-Aire Lines, Inc., possesses the business experience in the field of air operations and the financial stability and will obtain 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 Swift-Aire Lines, Inc.
3. Swift-Aire Lines, Inc., presently can economically give adequate service to the communities involved while flying the minimum schedules proposed.

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

Swift-Aire Lines, 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 Swift-Aire Lines, 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. Failure to do so may result in a cancellation of the operating authority granted by this decision.

- (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 requirements of the Commission's General Orders Nos. 120-B and 129.
- (b) Within one hundred and twenty days after the effective date hereof, applicant shall establish the service herein authorized and file tariffs and timetables, in triplicate, in the Commission's office.

- (c) The tariff and timetable 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 and timetable 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 25th day of FEBRUARY, 1969.

William Agnew Jr.
President
Secretary
Dr. J.P. Morrison
Commissioner
Commissioners

Swift-Aire Lines, 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 with a minimum of two scheduled round trip flight Monday through Friday between:

Route 1 - San Luis Obispo-San Francisco-Sacramento
(with "flag stop" at Paso Robles and San Jose)

Route 2 - San Luis Obispo-Los Angeles International

Restrictions

No. 1. The authority granted herein is limited to service over the specific routes described above, and direct service between a point on one route (other than San Luis Obispo) and a point on any other route shall not be provided.

No. 2. No passenger shall be carried whose transportation is solely between each of the following pairs of points:

- (1) San Francisco and San Jose
- (2) Sacramento and San Jose
- (3) San Francisco and Sacramento

Issued by California Public Utilities Commission.

Decision No. 75372, Application No. 50642.