

ORIGINAL

Decision No. 75396

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Golden Pacific Airlines, Inc.)
for an order of exemption.)

Application No. 50892
Filed February 17, 1969

O P I N I O N

In this proceeding Golden Pacific Airlines, Inc. requests exemption from the provisions of Article 5, Chapter 4, Part 1, Division 1 of the California Public Utilities Code. Such article defines the jurisdiction of this Commission over the issuance of securities by public utilities.

Applicant is a California corporation organized on or about April 11, 1968. It possesses the certificate of public convenience and necessity granted by Decision No. 74927, dated November 13, 1968, in Application No. 50279. The certificate authorizes the company to operate as a passenger air carrier in portions of the State of California.

The carrier reports that its initial common stock was issued pursuant to authorization granted by the California Commissioner of Corporations. The application shows that the company is currently undertaking additional financing through Meyerson & Co., Incorporated as the principal underwriter for the issuance of common stock. Applicant is seeking appropriate authorization pertaining thereto from the Securities and Exchange Commission and the California Commissioner of Corporations.

Section 829 of said Article 5 reads, in part, as follows:

"The commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from the provisions of this article if it finds that the application thereof to such public utility or class of public utility is not necessary in the public interest."

Passenger air carriers have not been treated as public utilities as defined in the Public Utilities Act (Part 1 of Division 1 of the California Public Utilities Code) and this Commission has not asserted jurisdiction over the issuance of securities by such carriers. However, Article XII of the Constitution of the State of California and Chapter 4, Part 2, Division 1 and Chapter 9, Division 2 of the California Public Utilities Code confer certain jurisdiction on this Commission with respect to passenger air carriers. Because of the jurisdiction thus conferred some question has been raised regarding the regulatory authority of this Commission over security issues of passenger air carriers. Applicant filed the present application for the purpose of clarifying the jurisdictional question.

After consideration we find that, if and to the extent this Commission may now have jurisdiction over the issuance of securities by passenger air carriers, the application of said Article 5 to Golden Pacific Airlines, Inc. is not necessary in the public interest. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that, to the extent this Commission may now have jurisdiction over the issuance of securities by Golden Pacific Airlines, Inc., such issuance is hereby exempted from the provisions of Article 5, Chapter 4, Part 1, Division 1 of the California Public Utilities Code.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 11th day of MARCH, 1969.

Augusta
President

David P. Morrison
W. P. ...

Thurston
Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.