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Decision No. 77794

ORIGINAL

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 Paso Robles and Los Angeles.

Application No. 52081
(Filed July 29, 1970)

O P I N I O N

Applicant is a California corporation with its principal place of business in the City of San Luis Obispo, California. It presently operates as a passenger air carrier between San Francisco, San Jose, Paso Robles, San Luis Obispo and Los Angeles. It has applied herein for authority to provide direct flights between Paso Robles and Los Angeles with a flag stop in San Luis Obispo. It is alleged that the schedules are designed to enable passengers to remain the entire day at their destination and then return in the early evening. Service will be provided on Monday through Friday of each week. Saturday and Sunday schedules will be added if the traffic warrants. The schedules provide for one early morning and one early evening flight in each direction.

South Bound

North Bound

Lv	PRB	7:00 AM
*Ar	SBP	7:15 AM
*Lv	SBP	7:30 AM
Ar	LAX	8:30 AM
Lv	PRB	4:15 PM
*Ar	SBP	4:30 PM
*Lv	SBP	4:45 PM
Ar	LAX	5:45 PM

Lv	LAX	8:45 AM
*Ar	SBP	9:45 AM
*Lv	SBP	10:00 AM
Ar	PRB	10:15 AM
Lv	LAX	6:00 PM
*Ar	SBP	7:00 PM
*Lv	SBP	7:15 PM
Ar	PRB	7:30 PM

*San Luis Obispo "Flag Stop" only.

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Passengers will be transported in Piper PA-31 aircraft, between Paso Robles and Los Angeles for \$27.78, one way.

A balance sheet dated June 30, 1970 and attached to the application shows that applicant lost \$60,000 during the first six months of 1970; total assets of \$215,044 and current liabilities of \$92,120. A recent staff investigation revealed that applicant has reorganized and reduced a great deal of operating expense. Applicant has the required insurance coverage and all of the concerned airports and airlines have received a copy of this application. There are no protests.

Applicant is already serving the points it has referred to herein. Its service will be improved by this authorization, which provides better and faster service between Paso Robles and Los Angeles.

Applicant discontinued service to and from the Sacramento Municipal Airport either directly or by way of either Fresno or San Francisco on March 27, 1970, under the provisions of Section 2769.5 of the Public Utilities Code of the State of California. The operation was unprofitable and its discontinuance was justified.

No useful purpose would be served by public hearing in this application. Pursuant to Section 2755 of the Public Utilities Code the Commission will approve the application and issue the certificate prayed for without a hearing. For the purpose of clarity, we will issue a certificate combining and restating the authority granted by Decision No. 75372 as modified by Decision No. 77645, with the authority granted herein.

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The Commission finds that:

1. Swift Aire Lines, 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 as a passenger air carrier.

2. Swift Aire Lines, Inc. can economically serve the points of Paso Robles, San Luis Obispo and Los Angeles as a passenger air carrier.

3. The termination of service to and from the Sacramento Metropolitan Airport on March 27, 1970, was justified under the provisions of Section 2769.5 of the Public Utilities Code.

4. Public convenience and necessity require the granting of a certificate as a passenger air carrier serving the points of Paso Robles, San Luis Obispo and Los Angeles to Swift Aire Lines, Inc.

Based upon the foregoing findings of fact the Commission concludes that the application should be granted and that the applicant's certificate should be revised to combine its present authority with the authority granted herein.

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.

The Passenger Air Carrier's Act (Public Utility Code Sections 2740-2769.5) has no application to the transportation of freight by aircraft. No finding or ruling will be made therefore, concerning the portion of the application which requests authority to operate as an air freight carrier.^{1/}

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, which cancels and supersedes Appendix A of Decision 75372.

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.

^{1/} Air freight service may be inaugurated after filing tariffs in accord with this Commission's General Order 105-A and complying with the insurance requirements of General Order 120-B.

- (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.

3. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 75372, as modified by Decision No. 77645, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3 hereof.

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

Dated at San Francisco, California, this 6th day of OCTOBER, 1970.

[Signature]
Chairman
[Signature]
William J. [Signature]
[Signature]
Yessan L. Sturgeon
Commissioners

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Appendix A

SWIFT AIRE LINES, INC.

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The authority granted herein to Swift Aire Lines, Inc., supersedes the previously granted certificate of public convenience and necessity granted in Decision No. 75372 as subsequently modified.

Swift Aire Lines, Inc., by the decision noted in the margin, is authorized to operate as a passenger air carrier over the routes and between the points listed below:

Route 1 - SAN LUIS OBISPO - SAN FRANCISCO
Intermediate Points: San Jose and Paso Robles

SFO-SJC
SJC-PRB
PRB-SBP
SBP-SFO
SBP-SSC
PRB-SFO

Route 2 - SAN LUIS OBISPO - LOS ANGELES

SBP-LAX

Route 3 - PASO ROBLES - LOS ANGELES
Intermediate Points: San Luis Obispo

PRB-SBP
SPB-LAX
LAX-PRB

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Appendix A

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Conditions

1. Authority granted herein is limited to passenger air carrier operations over the specific routes and between the airport pairs listed thereunder as described above.
2. Operation between an airport on one route and an airport on any other route shall not be provided except through an airport that is common to the two routes.
3. On each route each airport shall be served with a minimum of one flight in each direction on each of five days a week.
4. On Route 1, San Jose and Paso Robles are each authorized as "flag stop" only. On Route 3, San Luis Obispo is authorized as "flag stop" only.
5. Restriction to carry origin and destination passengers between San Francisco and San Jose temporarily removed by Decision No. 77645 pending further order.
6. No aircraft having more than 25 revenue passenger seats shall be operated.
7. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
SFO	San Francisco	San Francisco International Airport
SJC	San Jose	San Jose Municipal Airport
PRB	Paso Robles	Paso Robles Airport
SBP	San Luis Obispo	San Luis Obispo County Airport
LAX	Los Angeles	Los Angeles International Airport

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