

ORIGINAL

Decision No. 81449

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
STOL AIR, INC. for a Certificate of
Public Convenience and Necessity to
Operate as a Passenger and Freight
Air Carrier between the airports
of Truckee-Tahoe, San Francisco
International, San Jose International,
Oakland International and Sacramento.

Application No. 53533
(Filed August 18, 1972;
amended May 3, 1973)

Don Richards Stephens, Attorney at Law, and
W. J. Connolly, for Stol Air, Inc.; applicant.
Allan Silliphant, for Sierra Pacific Airlines, Inc.;
Walter C. Bailey, for Brockway-Dollar Point
Taxpayers Association; George H. Edmondson, for
Truckee-Tahoe Airport District; Robert L. Pleines,
Attorney at Law, for the County of Sacramento;
Robert A. Rosenberg, and Edward Barnett, Attorney
at Law, for Tahoe-Pacific Airways, Inc.; and
Ronald D. Scott, for himself; interested parties.
Elmer Sjostrom, Attorney at Law, and Milton J. DeBarr,
for the Commission staff.

O P I N I O N

Stol Air, Inc., a California corporation, holds a certificate as a passenger air carrier under the authority of Decision No. 80894 in Application No. 53489. It operates between San Francisco and Santa Rosa, serving San Rafael, Napa, and Concord on a "flag stop" basis. Service is provided on the basis of a minimum of one flight a day in each direction, on five days of the week. Applicant owns a twin-engine, 9-passenger Britten-Norman BN-2A Islander, which weighs 6,300 pounds and has a cruising speed of 158 miles per hour at 9,000 feet. Applicant also operates as an on-call air taxi with the same or leased aircraft.

It has applied herein for a certificate of public convenience and necessity to transport passengers by air in either direction between San Francisco, Sacramento, and Truckee-Tahoe airports, Sacramento to be a flag stop and operations between Sacramento and San Francisco to be "closed door." Applicant will initially provide a minimum of two round-trip flights per day on two or more days a week. The one-way fare between San Francisco and Truckee will be \$27.78, excluding tax, and between Sacramento and Truckee will be \$18.52, excluding tax.

Applicant suffered a net operating loss of \$6,770 for the eight-month period prior to March 31, 1973. Applicant's operating expense was exceptionally high after its airplane was stolen and seriously damaged.

A public hearing was held before Examiner Fraser at Tahoe City on May 15, 1973. The applicant and the Commission staff provided testimony and documentary evidence. The other parties made brief statements on the record.

Stol Air, Inc. has been serving Truckee-Tahoe Airport as a charter air carrier. Its aircraft is designed to operate out of airports at high elevations with comparatively short runways. Applicant will provide service on Tuesday and Thursday under the following schedules.

<u>San Francisco to Truckee</u>		
<u>Flight</u>	<u>Departs</u>	<u>Arrives</u>
608	8:15 a.m.	9:15 a.m.
617	5:15 p.m.	6:15 p.m.
<u>Truckee to San Francisco</u>		
<u>Flight</u>	<u>Departs</u>	<u>Arrives</u>
509	9:30 a.m.	10:30 a.m.
518	6:30 p.m.	7:30 p.m.

The schedules are designed so applicant can provide all present and proposed service with a single aircraft. Applicant will not purchase a second aircraft until increased revenues justify it. There are sources in San Francisco, Concord, Marin, and

Santa Rosa available to lease aircraft when applicant's craft is sidelined for inspection, or where extra flights are justified. Applicant will initially utilize personnel working for others to sell tickets and reservations under contract. This method has been successful at other airports served by applicant. It eliminates the need to hire full-time employees at all airports served. The staff suggested that the applicant be authorized to operate for a period of one year if it can obtain an additional aircraft and has a sufficient cash reserve to counter an estimated 18-month period of unprofitable operation. Applicant has an agreement from a local bank to loan \$150,000 for a new aircraft and \$30,000 for operating capital whenever the sums are needed. The other parties made statements for the record. All agreed that some service should be provided. Several stated the proposed fares are too high. The Sacramento County representative argued that Sacramento should be a scheduled stop on every flight, and applicant modified its proposal to provide this service. Representatives from two airlines who may serve Truckee in the future argued that the Stol application should not be decided until other interested airlines have an opportunity to apply and present evidence on the advantages of serving Truckee with larger aircraft.

Findings

1. Truckee-Tahoe has no scheduled air-passenger service.
2. Stol Air, Inc. possesses the business experience in the field of air operations, the financial stability, and requisite insurance to receive a certificate of public convenience and necessity.
3. There is a present need for the proposed service.
4. A temporary authority providing for a minimum of two round trips a week will be granted.
5. Applicant's present certificate will be expanded to include the authority to provide the proposed service.
6. Public convenience and necessity require the granting of a certificate of public convenience and necessity as a

passenger air carrier for a period of one year, between San Francisco and Truckee-Tahoe Airport, with Sacramento as a scheduled stop.

7. The Commission finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

Based upon the foregoing findings of fact, the Commission concludes that this application should be granted for a period of one year.

Applicant is 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. 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. Appendix A of Decision No. 80894 is amended by incorporating therein First Revised Page 1 and First Revised Page 2 and by canceling therefrom Original Page 1 and Original Page 2.

2. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations. Failure so to do 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-Series and 129-Series.

- (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-Series.

3. This authority will expire one year from the effective date of this decision unless extended by further order of this Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 30th
day of MAY 4, 1973.

Simon L. Stuenkel
President
William J. Sweeney
William J. Sweeney
William J. Sweeney
William J. Sweeney
Commissioners

Stol Air, Inc., by this certificate of public convenience and necessity, is authorized to operate as a passenger air carrier over the routes and between the points listed below:

Route 1 - San Francisco - Santa Rosa (nonstop)

SFO - STS

Route 2 - San Francisco - Santa Rosa - Intermediate Point:

San Rafael (1)

SFO - STS

SRF - STS (1)

SFO - SRF (1)

Route 3 - San Francisco - Santa Rosa - Intermediate Points:

Napa (1) and Concord (1)

SFO - STS

CCR - APC (1)

SFO - APC (1)

CCR - STS (1)

SFO - CCR (1)

APC - STS (1)

(1) Designates "flag stop" service.

#Route 4 - San Francisco - Truckee - Intermediate Point:

Sacramento

SFO - TTA

SFO - SMF

SMF - TTA

Conditions:

1. No aircraft having more than 25 revenue passenger seats shall be operated.
2. Authority for Routes 2 and 3 is temporary and shall expire January 5, 1974, unless modified by further order of this Commission.
3. Routes 1, 2, and 3 shall be served with a minimum of one flight in each direction on each of five days a week.
4. On Route 2, San Rafael shall be served on a "flag stop" basis. On Route 3, Napa and Concord shall be served on a "flag stop" basis.

Issued by California Public Utilities Commission.

#Added by Decision No. 81449, Application No. 53533.

Conditions: (Continued)

5. Carrier shall not overfly an airport designated as a "flag stop" if a passenger is in the possession of a purchased ticket and confirmed reservation one hour or longer before the scheduled departure time from that airport on the flight on which the passenger holds a confirmed reservation.
- #6. No passenger shall be carried whose transportation is solely between the respective airports of SFO and SMF.
- #7. On Route 4 each airport shall be served with a minimum of four flights in each direction per week.
- #8. Authority for Route 4 is temporary and shall expire May 31, 1974.
9. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
SFO	San Francisco	San Francisco International
STS	Santa Rosa	Sonoma County Airport
CCR	Concord	Buchanan Field
SRF	San Rafael	Smith Ranch Airport (Alternate San Quentin Airport)
APC	Napa	Napa County Airport
#TTA	Truckee	Truckee-Tahoe
#SMF	Sacramento	Sacramento Metropolitan

Issued by California Public Utilities Commission.

#Added by Decision No. 81449, Application No. 53533.