

ORIGINALDecision No. 84478

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HOLIDAY AIRLINES, INC., a California)
 corporation, for authority to)
 transport local passengers between)
 all airports on Holiday's system)
 where flights can be operated)
 subject to the condition that all)
 flights shall originate or terminate)
 at Lake Tahoe.)

Application No. 53266

ORDER SUSPENDING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

Holiday Airlines Corporation (Holiday) holds a Certificate of Public Convenience and Necessity issued by this Commission to operate as a passenger air carrier in California. The Certificate was initially issued by Decision No. 71648, dated December 6, 1966, in Application No. 47901 and last restated by Decision No. 83962, dated January 7, 1975 in Application No. 53266.

At midnight on February 5, 1975, Holiday ceased all operations as a passenger air carrier as evidenced by a telegram on that date and a verification letter of February 6, 1975 from Mr. Michael H. Gault, Chairman of the Board of Directors of Holiday, citing the airlines' deteriorating financial condition as the reason for cessation of service.

Holiday does not presently have on file with this Commission evidence of liability protection insurance as required by the Commission's General Order No. 120-C, and Public Utilities Code Section 2764. Its liability insurance was cancelled effective March 3, 1975, for non-payment of premiums.

Section 2764 states:

"The commission shall require all passenger air carriers to procure and maintain a minimum amount of insurance in such amounts as the commission may determine.

"The commission may, upon its own motion, or upon application of any interested party, and after hearing, require any passenger air carrier to procure and maintain additional insurance in such amounts and upon such terms as the commission may determine.

"Notwithstanding the provisions of Section 2755 of this chapter, the commission may at any time suspend the certificate of any passenger air carrier for failure to comply with the insurance regulations established pursuant to this section."

Holiday is presently undergoing bankruptcy proceedings and it no longer holds a certificate from the Federal Aviation Administration to operate aircraft.

The Commission finds that:

1. Holiday is presently undergoing bankruptcy proceedings and no longer holds a certificate from the Federal Aviation Administration to operate aircraft.

2. Holiday has no evidence of insurance on file with the Commission as required by General Order No. 120-C and Public Utilities Code Section 2764.

3. Holiday is presently in no position to operate as a passenger air carrier.

4. The certificate of public convenience and necessity of Holiday should be suspended until further order of the Commission.

IT IS ORDERED that:

The Certificate of Public Convenience and Necessity of Holiday Airlines Corporation is hereby suspended until further order of the Commission. A certified copy of this order shall be mailed to the law office representing Curtis B. Danning, trustee in Holiday bankruptcy proceeding:

Gendel, Raskoff, Shapiro & Quittner
Attorneys at Law
6380 Wilshire Boulevard - 16th Floor
Los Angeles, CA 90048

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And to:

Michael H. Gault, Chairman of the Board
Holiday Airlines Corporation
9841 Airport Boulevard
Los Angeles, CA 90045

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 28th
day of MAY, 1975.

President
William J. ...

Leonard ...

Commissioners

Commissioner Vernon L. Sturgeon, being
necessarily absent, did not participate
in the disposition of this proceeding.

Commissioner Robert Batinovich, being
necessarily absent, did not participate
in the disposition of this proceeding.