

Decision No. 84532

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of W. L. MURPHY and  
H. C. MURPHY, who propose doing  
business under the firm name of  
"Tuolumne Airlines", for a Certi-  
ficate of Public Convenience and  
Necessity to operate a "Passenger  
Air Carrier".

Application No. 55548  
(Filed March 7, 1975)

William L. and Helen C. Murphy, for themselves,  
applicants.  
Richard Brozosky, for the Commission staff.

O P I N I O N

Applicants are a husband and wife partnership certified by the Federal Aviation Administration to conduct air taxi and commercial operations, utilizing aircraft of 12,500 pounds or less, maximum certified take-off weight, under the firm name of "Tuolumne Air Service", out of Columbia Airport in Tuolumne County.

Applicants are applying for a certificate of public convenience and necessity as a passenger air carrier between Columbia Airport and Oakland Airport. They propose a minimum of two round trips a week at a one-way fare of \$22 (includes tax of \$1.76 (8%)).

Public hearing was held before Examiner Fraser at Sonora on May 28 and 29, 1975. Testimony and exhibits were presented by applicants and the Commission staff.

Seventeen public witnesses testified in support of the service proposed by applicants. Included were representatives from the Tuolumne County Sheriff, U.S. Forest Service, a local railroad, a lumber company, a local newspaper, the County Supervisors, city of Sonora, and Columbia College. It was noted that the population of Tuolumne County is now 26,800 with an annual increase of 5 percent. Applicants completed a survey and estimated they will transport 2,200 fares during the first year of operation. Columbia Airport has a total of 75,000 arrivals and departures per year with no scheduled service. The aircraft using the airport range in size from single engine, up to and including jets and four-engine transports.

Applicant W. L. Murphy is a qualified pilot on single and multiengine planes, with about 7,000 hours in the air. He has an instrument rating and is a certified flight instructor and advanced ground instructor. He has been a navy test pilot and a professor of aircraft operations and maintenance at San Jose State University. He and his wife acquired Tuolumne Air Service in September 1971 when it was a 3-aircraft operation with about 1,000 revenue hours a year. It is now an 8-aircraft business with over 3,000 revenue hours, a flight school, repair shop, and sales agency for small aircraft. Applicants own five aircraft and have two on lease. The aircraft listed below will be available for utilization in the proposed service:

	<u>Passenger Capacity</u>	<u>Own or Lease</u>
1. Beechcraft Baron	5	Leased
2. Cessna 182	3	Owned
3. Beechcraft Sundowner	3	Owned
4. Beechcraft Sierra	4	Owned

Applicant W. L. Murphy testified that applicants were about to purchase or lease a Cessna 402, which will transport 8 or 9 passengers. This aircraft can be obtained in about 10 days and will probably be purchased if this application is granted. He testified that applicants prefer to start with a minimum service of two round trips a week, possibly on Mondays and Fridays, although it has not yet been decided. He further testified that providing service on additional days might require another aircraft and pilot. This extra cost is not justified until the business produces a need through natural growth. He advised that a single engine Cessna 182 can be operated for about \$25 an hour, and a single passenger will provide sufficient income to cover the cost of operating the aircraft. It is a one-way flight of 45 minutes over a 100-mile direct route. He testified that applicants are operating out of Oakland rather than San Francisco because Oakland Airport has better parking, less congestion, a nearby BART station, and other advantages.

Applicants have developed a stable business which is experiencing a steady growth. The operations that provided their 1974 income are shown on the following table from page 3 of Exhibit 11:

<u>Operation</u>	<u>Revenue</u>	<u>Percent</u>
Fuel and Oil Sales	\$112,363	43.2
Flight Operations	66,059	25.4
Merchandise Sales & Services	53,627	20.6
Other Revenue (car rentals, radio operations, etc.)	<u>27,902</u>	<u>10.8</u>
	\$259,951	100.0

An accountant and a transportation engineer testified for the Commission staff. Exhibits 11 and 12 were placed in evidence. It was recommended that a temporary certificate be issued for a 12-month period and that a minimum daily service of one round trip be required on five days of the week. The staff suggested five-day service on the theory that public convenience will not be satisfied with less frequency.

#### Discussion

Applicants are qualified to provide the service and should receive a permanent certificate. Sufficient reason has not been shown to limit the certificate. Applicants will be authorized to provide a minimum service of two round trips per week. If additional service is needed, supplementary schedules can be added at any time.

#### Findings

1. Applicants provide an air taxi and charter service out of the Columbia Airport, in addition to a flight school, fuel supply, and aircraft sales and maintenance.
2. Applicants have applied for authority to provide two scheduled round trips per week as a passenger air carrier between Columbia and Oakland Airports.
3. No one is providing this service, and there were no protests.
4. Seventeen witnesses testified that the application should be granted and all letters received support of the proposed service.
5. Commission representatives recommended that the application be granted.
6. Applicants possess the ability, experience, equipment, and financial resources needed to perform the aforesaid service.
7. Public convenience and necessity require that the service proposed by applicants be established.

8. It is reasonably certain that the project involved in this proceeding will not have a significant effect on the environment.

9. Applicants prefer to start operating on June 16, 1975 in honor of June 16, 1935, which is the date airmail service was started out of Columbia.

10. Applicants should be authorized to do business as Yosemite Airlines as requested.

We conclude that the application should be granted and a certificate should be issued with provision for providing a minimum service of two round trips per week.

Applicants are 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. A certificate of public convenience and necessity is granted to W. L. Murphy and H. C. Murphy, authorizing them to operate as a passenger air carrier, as defined in Section 2741 of the Public Utilities Code, between the points and over the routes set forth in Appendix A of this decision.

2. In providing service pursuant to the authority granted by this order, applicants shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.

(a) Within thirty days after the effective date of this order, applicant shall file a written

acceptance of the certificate granted. By accepting the certificate applicants are placed on notice that they will be required, among other things, to file annual reports of their operations and to comply with the requirements of the Commission's General Orders Nos. 120-Series and 129-Series.

- (b) Within one hundred twenty days after the effective date of this order, applicants shall establish the authorized service and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff 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 filings shall be concurrent with the establishment of the authorized service.
- (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.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 10<sup>th</sup> day of JUNE, 1975.

Vernon L. Spurgeon  
President  
William Symons  
Robert H. ...  
L. H. ...  
Robert H. ...  
Commissioners

bw

Appendix A

W. L. MURPHY and H. C. MURPHY  
dba YOSEMITE AIRLINES

Original Page 1

W. L. Murphy and H. C. Murphy, dba Yosemite Airlines, by this certificate of public convenience and necessity, are authorized to operate as a passenger air carrier between the following airports only:

COL - OAK

Conditions

1. No aircraft having more than 30 revenue passenger seats or a payload of more than 7,500 pounds shall be operated.
2. Service between COL and OAK shall be provided with a minimum of two round trips a week.
3. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
COL	Columbia	Columbia Airport
OAK	Oakland	Oakland International Airport

Issued by California Public Utilities Commission.

Decision No. 84532, Application No. 55548.