

Decision No. 84935

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
EUREKA AERO INDUSTRIES, INCORPORATED,  
for a Certificate of Public Convenience  
and Necessity to provide passenger air  
carrier service to and from Crescent City  
and Arcata and to provide service from  
Crescent City and Arcata to all other  
cities authorized by its existing  
Certificates.

Application No. 55359  
(Filed December 4, 1974;  
amended February 10, 1975)

Joe McClaran, Attorney at Law, for Eureka Aero Industries,  
Incorporated, applicant.  
Richard Brozosky and Raymond J. DeMarco, for the  
Commission staff.

O P I N I O N

Applicant seeks to extend its air passenger service to McNamara Field in Crescent City and to Arcata airport. It now serves Eureka, Chico, Red Bluff, Marysville, Sacramento, Oakland, and Santa Rosa. It was granted a temporary 90-day authority to serve Crescent City and Arcata airport by Decision No. 84590 in this proceeding dated June 24, 1975. This temporary authority was issued pursuant to Section 2767 of the Public Utilities Code.

Applicant operates under authority granted by Decision No. 80076 dated May 18, 1972 in Application No. 52991 and Decision No. 83472 dated September 17, 1974 in Application No. 54820. Applicant maintains an air taxi and charter service and has transported mail by aircraft since 1967 under contract. It has 14 aircraft and has the financial ability and experience necessary to operate the requested service. Hughes Air West (Hughes) suspended service to

Crescent City on July 1, 1975, which left the area without air service. Applicant extended to Crescent City on an emergency basis when Hughes left, and applicant is now applying for authority to serve Crescent City on a permanent basis.

Applicant will charge the rates published by Hughes and will provide three flights in each direction between McNamara Field in Crescent City and Arcata airport, Monday through Friday, except on holidays, and at least one flight in each direction on Saturdays, Sundays, and holidays.

A public hearing was held before Examiner Fraser at Eureka on June 25, 1975. Testimony and exhibits were presented by the applicant and the Commission staff.

The record includes resolutions in favor of the application passed by the board of supervisors of the county of Del Norte, the board of supervisors of Humboldt County, the city council of Crescent City, and the Del Norte Chamber of Commerce. Applicant's business is increasing. Exhibit 5 shows 170 passengers enplaned during 1972, 1,564 during 1973, and 1,907 during 1974. Exhibit 8 contains information taken from the records of Hughes covering the 12-months ended on April 30, 1974. This exhibit reveals that Hughes transported a total of 10,381 passengers in or out of Crescent City during the period covered in the report. The evidence presented by both staff and applicant indicates that a large portion of this business will revert to applicant when its service is established. Several members of the local business community, including the Humboldt County director of airports, testified as to applicant's reliability and good reputation in the community. All who testified were strongly in favor of the application being granted. There were no protestants.

A transportation engineer testified for the Commission staff and Exhibit 10 was placed in evidence. The witness testified that a grant of this application will have no effect on the environment and he recommended that a certificate be granted as set out in the following order.

Discussion

Applicant is already providing the proposed service under temporary authority. It should receive a permanent certificate. Applicant will be authorized to provide a minimum service on five days of the week; if additional schedules are needed they can be added at any time.

Findings

1. Applicant is providing an air taxi, charter, and mail service under contract out of Murray airport in Eureka.
2. Applicant has applied for authority to extend its passenger air certificate to serve Arcata airport and Crescent City airport.
3. Applicant is already providing this service under temporary authority.
4. All testimony and exhibits presented during the public hearing favored the grant of this application.
5. The supervisors of Humboldt and Del Norte Counties passed resolutions favoring the application along with the city council of Crescent City and the Del Norte Chamber of Commerce.
6. The Commission staff recommended that the application be granted.
7. Applicant possesses the ability, experience, equipment, and financial resources needed to perform the aforesaid service.
8. Public convenience and necessity require that the service proposed by applicant be established.
9. It is reasonably certain that the project involved in this proceeding will not have a significant effect on the environment.

We conclude that the application should be granted and that a certificate should be issued as provided in the following ordering paragraphs.

Eureka Aero Industries, Incorporated 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. A certificate of public convenience and necessity is granted to Eureka Aero Industries, Incorporated, a corporation, authorizing it to operate as a passenger air carrier, as defined in Section 2741 of the Public Utilities Code, by extending its air passenger service to Crescent City and Arcata. Appendix A of Decision No. 80076 is further amended by incorporating Second Revised Page 1, attached hereto, in revision of First Revised Page 1.


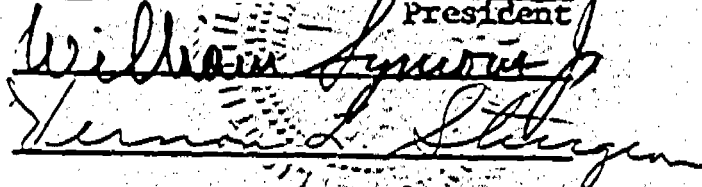
2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.

- (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 applicant is placed on notice that it will be required, among other things, to file annual reports of its 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, applicant 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 23rd  
day of SEPTEMBER, 1975.

  
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President  
  
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\_\_\_\_\_  
Commissioners

Commissioner Leonard Ross, 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.

Appendix A  
(Dec. 80076)

EUREKA AERO INDUSTRIES,  
INCORPORATED

Second Revised Page 1  
Cancels  
First Revised Page 1

Eureka Aero Industries, Incorporated, by this certificate of public convenience and necessity, is authorized to operate as a passenger air carrier between the following airports only:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
#ACV	Arcata	Arcata Airport
#CEC	Crescent City	McNamara Field
CIC	Chico	Chico Municipal Airport
*EKA	Eureka	Murray Field
MYV	Marysville	Yuba County Airport
OAK	Oakland	Oakland International Airport
RBL	Red Bluff	Red Bluff Municipal Airport
SMF	Sacramento	Sacramento Metropolitan Airport
STS	Santa Rosa	Sonoma County Airport

Note: Authority to serve Santa Rosa is temporary and shall expire December 31, 1975.

Conditions

- \*1. Each airport shall be served with a minimum of one flight in each direction on each of five days a week.
2. No passenger shall be carried whose transportation is solely between the respective airports of SMF and OAK.
- \*3. Santa Rosa shall be served on a flagstop basis and via EKA and/or SMF only.
  - (a) Carrier shall give at least one hour's prior notification to said carrier's ticketing agency when said carrier intends to overfly STS. Carrier shall land at STS unless such prior notice has been given.
  - (b) Carrier shall not overfly STS if a passenger is in the possession of a purchased ticket and a confirmed reservation one hour or longer before the scheduled departure time.
4. No aircraft having more than 30 revenue passenger seats or a payload more than 7,500 pounds shall be operated.

Issued by California Public Utilities Commission.

\*Revised and #Added by Decision No. 84935, Application No. 55359.