

ORIGINAL

Decision No. 87380 May 24, 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
GOLDEN WEST AIRLINES, INC. for a )  
Certificate of Public Convenience )  
and Necessity to provide Commuter )  
Air Carrier Service to/from and be- )  
tween the Palomar and San Diego )  
Airports and to/from Santa Barbara/ )  
Oxnard and Santa Ana/Orange County )  
Airports. )

Application No. 56835  
(Filed October 29, 1976)

INTERIM OPINION

Golden West Airlines, Inc. is a passenger air carrier between numerous points in southern California. By this application it seeks a certificate of public convenience and necessity authorizing scheduled passenger air carrier service between Santa Barbara and Oxnard, on the one hand, and San Diego, Palomar, and Santa Ana, on the other hand, and between Santa Ana, on the one hand, and Palomar and San Diego, on the other hand. A copy of the application has been served upon officials of the airports involved and upon passenger air carriers providing service to those airports. There are no protests.

Applicant has conducted passenger air carrier operations for many years and has sufficient business experience in the field of air operations to initiate and maintain the proposed service. It currently maintains insurance coverage as required by General Order No. 120.

Exhibit 1 to the application depicts the routes it proposes to operate, namely, between Santa Barbara and San Diego nonstop, between Oxnard and San Diego nonstop, and between Oxnard and San Diego via Santa Ana and Palomar. Its proposed beginning schedule, which we determine to be a minimum schedule, shows that applicant intends to tack its proposed routes onto existing authorized routes so as to provide through flight service. For example, it proposes flights between Los Angeles and San Diego via Santa Ana and Palomar. It is also noted that the flight operations depicted on the beginning schedule do not conform to the routings delineated on Exhibit 1. The schedules provide for flights over the following routes:

- (1) Santa Barbara-Oxnard-Santa Ana
- (2) Santa Barbara-Oxnard-San Diego
- (3) Los Angeles-Santa Ana-Palomar-San Diego

The proposed beginning schedule (Appendix B, attached hereto) provides for morning and early evening service at times most convenient to the travelling businessman. Exhibits included in the application reveal that there is significant demand for air service of the kind proposed by application which will provide early or mid-morning arrival at destination and a late afternoon or early evening return flight. From those exhibits we find that the proposed beginning schedule provides the minimum flight service required by public convenience and necessity during days other than Saturdays, Sundays, and holidays. Applicant has made no representations regarding service on weekends.

Applicant operates a fleet of eleven DHC-6 Twin Otter aircraft. It proposes to utilize those aircraft in the proposed service. It presently maintains airport terminal facilities at Santa Ana, Santa Barbara, and Oxnard. It has arranged to lease terminal facilities and aircraft ramp space at Palomar. There is no vacant counter or gate facilities at San Diego International Airport. Applicant proposes to enter into agreement with another tenant to handle terminal facility functions for it at that airport.

The Commission staff has presented a report regarding this application which we include in this record as Exhibit 1. The report includes the staff's investigation and analysis of the effect the proposed operation will have on the environment. The DHC-6 Twin Otter is a twin-engine turboprop 18 passenger aircraft and operates well within the recent noise standards for aircraft under Federal Aviation Regulations Part 36 requirements. This and larger aircraft are being operated by passenger air carriers at all of the airports involved except Palomar. Palomar is utilized by twin-engined general aviation aircraft. The airport is approximately 3 1/2 miles from the closest residential area. The impact of the proposed service at Palomar is insignificant when compared to the over 200,000 annual aircraft operations recorded at that airport.

The application contains a comprehensive forecast of the results of the proposed operations. It discloses an estimated operating ratio of 99.0 percent for the first year of operations and 88.5 percent for the second year. It is a reasonable forecast and the operation appears to be economically viable.

There is no doubt in our minds that the service to be provided by the proposed schedule will promote the development of an orderly, efficient, economical, and healthy intrastate passenger air network to the benefit of the people of this state, its communities, and the state itself and is required by public convenience and necessity. We do have some concern that the routes requested do not entirely conform to the service that applicant has stated that it will initially hold itself out to perform. We realize that some time is required for the development of patronage for a new service and also that experience is required in order to plan the manner in which the initial service should be expanded. While applicant does not propose nonstop service between Santa Barbara on the one hand and San Diego or Santa Ana on the other, it is probable that following development of traffic there will be peak days when it will be

economically and operationally desirable for applicant to schedule nonstop flights between those points. We recognize that the route authorities should provide for flexibility to expand and develop traffic through modification of schedules to provide flights at times of traffic demand. At the same time, however, it is not in the interests of the development of an orderly, efficient, economical, and healthy intrastate passenger air network for the Commission to award route authorities that will not be exercised. Applicant desires to initiate service by June 1, 1977. In the circumstances we will award applicant a temporary certificate authorizing the routes as prayed for subject to the condition that it inaugurate and maintain as minimum schedules over the routes the schedule attached hereto as Appendix B until such time as a revised minimum schedule may be approved by the Commission or until June 1, 1978 whichever is the earlier. The temporary certificate will be scheduled to expire December 31, 1978. That will afford applicant sufficient opportunity to evaluate the traffic between points over the routes so that it may file on or before June 1, 1978 a minimum schedule as provided for in Section 2754 of the Public Utilities Code. The Commission will take into consideration said minimum schedule in the determination of the route authorities that may be granted to applicant in a permanent certificate of public convenience and necessity.

We point out here that the authority which will be granted does not prevent nor prohibit applicant from publishing schedules providing for flights over any of the routes authorized by this certificate in addition to the flights set forth on the minimum schedule.

It can be seen with certainty that there is no possibility that the activity in question may have a significant effect upon the environment. The Commission finds that public convenience and necessity require the operation by applicant as a passenger air carrier as provided for in the temporary certificate which will be granted in the ensuing order. A public hearing is not necessary.

Golden West Airlines Inc. 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.

INTERIM ORDER

IT IS ORDERED that:

1. A temporary certificate of public convenience and necessity is granted to Golden West Airlines, Inc., a corporation, authorizing it 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 performing service pursuant to the authority granted by this order, applicant shall schedule and operate every day other than Saturdays, Sundays, and holidays no fewer flights over the routes and between the points then provided in the minimum schedules attached hereto as Appendix B; and the departure times and arrival times of those flights at said points shall be scheduled not earlier nor later than thirty minutes from the times designated on the minimum schedule set forth in Appendix B.

3. On or before June 1, 1978 applicant shall file for approval by the Commission a minimum schedule of operations it proposes to conduct between the points and over the routes involved herein during the twelve months' period ending June 1, 1979.

4. The temporary certificate shall expire December 31, 1978 unless sooner extended, modified, or canceled by order of the Commission.

5. 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 shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 34th day of MAY, 1977.

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President  
*William S. Jones Jr.*  
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*Vernon L. Stinson*  
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*Richard D. Howell*  
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Commissioners

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

Golden West Airlines by this temporary Certificate of Public Convenience and Necessity is authorized to operate as a passenger air carrier over the following route:

Santa Barbara - San Diego

Intermediate Points: Oxnard, Orange County, Carlsbad

SBA - SAN	SNA - CRQ
OXR - SNA	CRQ - SAN
OXR - SAN	

Conditions:

1. Operations between an airport on this route and an airport on any other certificated route shall not be provided except through an airport that is common to the two routes.
2. In performing service pursuant to the authority granted by this order, applicant shall schedule and operate every day other than Saturdays, Sundays, and holidays no fewer flights over the routes and between the points than provided in the minimum schedules attached hereto as Appendix B; and the departure times and arrival times of those flights at said points shall be scheduled not earlier nor later than thirty minutes from the times designated on the minimum schedule set forth in Appendix B.
3. On or before June 1, 1978, applicant shall file for approval by the Commission a minimum schedule of operations it proposes to conduct between the points and over the routes involved herein during the twelve months' period ending June 1, 1979.
4. The temporary certificate shall expire December 31, 1978 unless sooner extended, modified, or canceled by order of the Commission.
5. No aircraft having more than 30 revenue passenger seats or a payload of more than 7,500 pounds shall be operated.
6. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
SBA	Santa Barbara	Santa Barbara Municipal Airport
OXR	Oxnard	Oxnard/Ventura Airport
SNA	Santa Ana	Orange County Airport
CRQ	Carlsbad	Palomar Airport
SAN	San Diego	San Diego International Airport

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Minimum Schedule

SANTA ANA-OXNARD

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
6:25A	7:05A	0
4:10P	4:55P	0

OXNARD-SANTA ANA

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
9:45A	10:30A	0
8:00P	8:45P	0

SANTA ANA-SANTA BARBARA

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
6:25A	7:35A	1
4:10P	5:25P	1

SANTA BARBARA-SANTA ANA

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
9:25A	10:30A	1
7:40P	8:45P	1

SAN DIEGO-SANTA BARBARA

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
7:45A	9:15A	1
6:00P	7:30P	1

SANTA BARBARA-SAN DIEGO

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
7:45A	9:15A	1
5:15P	6:40P	1

SAN DIEGO-OXNARD

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
7:45A	8:40A	0
6:00P	6:55P	0

OXNARD-SAN DIEGO

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
8:10A	9:10A	0
6:00P	7:00P	0

PALOMAR-SAN DIEGO

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
7:10A	7:30A	0
5:25P	5:45P	0

SAN DIEGO-PALOMAR

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
9:25A	9:45A	0
7:10P	7:30P	0

SANTA ANA-PALOMAR

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
6:30A	7:00A	0
4:45P	5:15P	0

PALOMAR-SANTA ANA

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
9:55A	10:25A	0
7:40P	8:10P	0

LOS ANGELES-PALOMAR

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
6:00A	7:00A	1
4:15P	5:15P	1 (Cont'd)

PALOMAR-LOS ANGELES

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
9:55A	10:55A	1
7:40P	8:40P	1

SANTA ANA-SAN DIEGO

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
6:30A	7:30A	1
4:45P	5:45P	1

SAN DIEGO-SANTA ANA

<u>Lv</u>	<u>Ar</u>	<u>Stops</u>
9:25A	10:25A	1
7:10P	8:10P	1

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