

Decision No. 97672 AUG 2 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MARIN AVIATION,
INC. for a Certificate of Public
Convenience and Necessity.

Application No. 56744
(Filed September 10, 1976)

Application of STOL AIR, INC.,
for a Certificate of Public
Convenience and Necessity or
for issuance of a temporary
Certificate of Public Convenience
and Necessity (or in the
alternative, to be exempted
from the certification process)
so that STOL AIR can operate
as a passenger air carrier
between San Francisco Inter-
national Airport and Oakland
International Airport on a
scheduled basis.

Application No. 56757
(Filed September 16, 1976)

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
Oakland International Airport
and San Francisco International
Airport.

Application No. 56773
(Filed September 23, 1976)

(See Appendix A for appearances.)

O P I N I O N

The captioned applications were heard, commencing
November 23, 1976 and concluding March 1, 1977, on a consolidated
record with Application No. 55777 of Air California (Air Cal),
Application No. 56757 of W. L. Murphy and H. C. Murphy of Yosemite

Airlines, and Application No. 56814 of Pacific Seaboard Airlines, Inc. (Pacific Seaboard).^{1/} The captioned matters were submitted upon the filing of briefs on March 31, 1977.

Description of Applicants

Marin Aviation, Inc. (Marin), doing business as California Air Commuter Service, operates as a passenger air carrier between San Francisco and Santa Rosa, Marin County Airport, Palo Alto, and Livermore. In its passenger air carrier operations it utilizes one PA-34T Seneca-II aircraft and two PA-31-350 Chieftain aircraft having capacities of less than 30 passengers.

Stol Air, Inc. (Stol) operates as a passenger air carrier between San Francisco International Airport, Gness Field (San Rafael), Sonoma County Airport, and Napa County Airport. Stol operates three Britten Norman (BN-2A) Islander 18-passenger aircraft.

^{1/} Decision No. 87056 granted that part of Air Cal's request involving removal of the restriction in its certificate preventing local service between SFO and OAK. Decision No. 86821 granted the request of Yosemite Airlines to operate between points on its existing route and SFO and OAK, with closed-door service between SFO and OAK. Application No. 56814 of Pacific Seaboard was reopened for further hearing to receive evidence from surface passenger carriers in opposition to proposed service between SFO and OAK, on the one hand, and Marin County Heliport and Emeryville Heliport, on the other hand. Pacific Seaboard's Application No. 56814 and Air Cal's request in Application No. 55777 for a certificate for the SFO-OAK route segment will be decided in separate orders.

Eureka Aero Industries, Incorporated (Eureka Aero) operates as a passenger air carrier between Oakland and Eureka, Sacramento, Marysville, Chico, and Red Bluff, and between Eureka and Santa Rosa and Redding. Eureka Aero operates five twin-engine aircraft with capacities of 19 passengers or less.

Authority Sought

Applicants seek authority to operate as passenger air carriers between San Francisco International Airport (SFO) and Oakland International Airport (OAK). The services proposed by applicants are to replace the helicopter service formerly provided by San Francisco-Oakland Helicopter Airlines, Inc. (SFO Helicopter). On September 8, 1976 SFO Helicopter discontinued service under the certificate granted to it by the Civil Aeronautics Board (CAB), and that certificate was revoked by CAB orders adopted November 9, 1976 and December 12, 1976 in Dockets 29936, 29937, and 25637.

Background

Applicants operate under air-taxi exemptions from CAB certificate requirements. Applicants maintain joint interstate fares with CAB certificated airlines, under which applicants receive a portion of the trunk carriers' air fares. Applicants cannot commence operation over a route operated by a certificated airline (such as SFO Helicopter) without losing their air-taxi exemptions. Revocation of SFO Helicopter's CAB certificate permitted applicants in the captioned proceedings to provide service between SFO and OAK without jeopardizing their CAB air-taxi exemptions.

The Parties

Evidence in the consolidated proceedings was presented by each of the applicants, by officials of the Port of Oakland (operator of OAK) and the city and county of San Francisco (operator of SFO), by a representative of the Federal Aviation Administration (FAA), by the Commission staff, and by Marin County protestants to Pacific Seaboard's proposed helicopter operations between Marin County and SFO.

Position of the Parties

Briefs were filed by Air Cal, Marin, Stol, Pacific Seaboard, Port of Oakland, and the Commission staff. The briefs of Marin, Stol, and Pacific Seaboard are in support of their respective applications.^{2/}

The Port of Oakland opposes the institution of any new air service between OAK and SFO on the basis that potential East Bay passengers would be better served by direct trunk airline service between OAK and other points served by the CAB carriers. The brief of the Commission staff:

- (1) Submits that the proposed operations of Marin, Stol, and Eureka Aero, considered separately or in combination, would not have a significant effect on the environment; but that the proposed operations of Pacific Seaboard would have a significant adverse effect on the environment;
- (2) Marin's request to operate between SFO and OAK should be denied because Marin does not possess the financial ability to perform the service; Marin's proposed service is unnecessary; Marin offers poorer service over its existing routes than other applicants based on number of informal complaints filed with the Commission and upon its poor record of on-time service; and because Marin did not conform to its certificate with respect to service at Novato; and
- (3) Stol and Eureka Aero should be granted authority to operate between SFO and OAK.

^{2/} Air Cal's brief is in support of its alternate request for a separate route segment between SFO and OAK, which was not granted by Decision No. 87056 (Footnote 1). The staff opposes the granting of a separate route segment.

The staff brief states that the demand for service between SFO And OAK can be met by two commuter airlines, namely Stol and Eureka Aero, and that proposed service by Marin and Pacific Seaboard is not necessary.^{3/}

Evidence of Marin Aviation, Inc.

Marin presented evidence in support of its application through its president. The following is a summary of the testimony of that witness. California Air Commuter (Cal Air) is the subsidiary of Marin that operates the air services authorized under the certificate issued to Marin. In addition, Marin sells and rents aircraft, operates a flying school, and operates an aircraft maintenance facility. Marin also conducts extensive air-charter operations, including courier services.

Marin proposes to operate 29 daily schedules from SFO to OAK on a 30-minute headway during peak periods. Such flights would provide a total of 261 seats. Thirty-four daily OAK-SFO flights would be operated, providing 306 seats. Twenty-three flights would have origin or destination beyond SFO or OAK. No aircraft or flight crews in addition to those now required to provide scheduled service will be needed to provide the additional service between SFO and OAK.

Marin operates from the United Airlines, Inc. (United) (Gate 10) facility at SFO. Marin has no present facility at OAK but has endeavored to acquire counter and ramp space. Marin has sufficient reservation and other support systems to provide the added service.

^{3/} The staff also opposes Pacific Seaboard's application because it does not possess the requisite financial responsibility, because of high initial start-up and investment costs, and because of alleged illegal operations in the Los Angeles area.

Marin proposes to assess a base fare of \$15 for the proposed service. A break-even load factor of 31 percent is estimated. Applicant's estimate of revenues and expenses for the additional service indicates that it will be profitable under fares proposed in the application. A financial statement was presented for the six months ended June 30, 1976. Official notice is taken of Marin's 1976 annual report to the Commission. Both statements show operating losses from scheduled airline operations.

Marin also presented rebuttal evidence to the data presented by the staff. Marin's rebuttal testimony is discussed in conjunction with the staff evidence concerning Marin.

Stol's Presentation

The evidence of Stol presented by its president and principal stockholder is summarized in the following statements.

Stol commenced operations on September 18, 1972 with one aircraft and acquired a second aircraft in the fall of 1973. Stol's certificated airline operations have not yet operated at a profit, principally because of competition of Marin between Santa Rosa and SFO. Stol incurred a net operating loss of \$47,250 (on revenues of \$689,000) for the twelve months ended July 31, 1976. The request to serve between SFO and OAK will provide additional traffic and improve Stol's profit situation.

Stol operates Britten-Norman Islander aircraft, which is a ten-place, twin-engine, high-wing, Stol-type aircraft. Stol (short takeoff and landing) aircraft are best suited for transbay operations because of their ability to land on runway areas which prevent the least conflict with jet aircraft and because of their ability to avoid traffic lanes occupied by long-range aircraft. In addition, Stol's operations with Britten-Norman aircraft have provided fast turnarounds on its existing SFO service and will provide fast turnarounds of approximately five minutes on its proposed service.

Stol has the necessary aircraft and personnel to inaugurate the proposed service. If the expected number of passengers is achieved, additional aircraft will be acquired under a 90 percent financing arrangement with the British manufacturer of the aircraft. ✓

Stol has counter and terminal facilities at SFO. It has attempted to acquire counter and gate facilities at OAK.

The estimate of operating results under the proposed fare of \$15 between SFO and OAK indicates that the operations will be profitable and that the break-even load factor for such operations is 45 to 50 percent.

Evidence of Eureka Aero

The general manager of Eureka Aero and of Air Courier, Inc. testified on behalf of the former as follows: Eureka Aero began flying air mail in 1967. In 1971 it began scheduled passenger airline operations. Its Bay Area passenger terminal is at OAK. In addition to scheduled airline operations, it has mail contracts between Eureka and SFO, and Santa Maria and SFO. It also operates air courier services.

Eureka Aero will provide service between SFO and OAK with De Havilland Twin-Otter aircraft, which aircraft assertedly best meets the needs of the proposed SFO-OAK route. The Twin-Otter has 17 to 19 seats, does not require long runways, and is compatible with the FAA aircraft landing controls used at SFO and OAK. ✓

Eureka Aero has gate and counter facilities at Oakland. If granted a certificate, it would seek permission of SFO to operate from Butler Aviation facility in the event that permission to use gate and counter facilities in the main terminal buildings are not available. Eureka Aero plans to operate on 30-minute headways. It estimates that it will initially carry 5,000 passengers per month. The proposed fare is \$15 between SFO and OAK. Revenue and expenses projections show that the proposed service would be profitable and that the break-even load factor would be 30 percent. Eureka Aero's operations were profitable in the year ended December 31, 1976.

Eureka Aero has the experience, personnel, flight equipment, and financial resources to begin the proposed operation between SFO and OAK.

The sales manager of De Havilland Aircraft of Canada testified on behalf of Eureka Aero with respect to the operating characteristics of the Twin-Otter aircraft. The aircraft is Stoll equipped and has adequate baggage capacity for commuter flights. The operating cost of the aircraft including flight personnel is \$8.13 per seat per hour.

Evidence of Port of Oakland

Port of Oakland, as operator of OAK, presented evidence through its director of aviation in opposition to additional scheduled air passenger service between OAK and SFO. The principal reason advanced by the witness was that availability of such airline service diverts long-haul airline traffic from OAK to SFO and thus diminishes the requirements for service at OAK by CAB trunk carriers. More flights are available to and from out-of-state points from SFO than from OAK. OAK has encouraged trunk carriers to provide more flights at OAK, but the airlines will not do so unless existing service at OAK is more heavily patronized. The ready availability of air service between SFO and OAK encourages East Bay passengers to use SFO instead of OAK. The former helicopter fares applicable between SFO and OAK were partially absorbed on flights between SFO and points west of Chicago and fully absorbed on flights east of Chicago by the trunk air carriers. Port of Oakland contends that if no new transbay air service is authorized, East Bay passengers will not be encouraged to use SFO; therefore, more service will be made available at OAK by trunk air carriers.

Port of Oakland believes that the continued absence of frequent OAK-SFO air service will stimulate an effort by the trunk airlines to compete for the substantial market available in the East Bay by providing service at OAK.

The assistant port attorney testified that no counter, gate, or ramp space is available at OAK for any of the applicants which do not already have operations at OAK, unless such space can be made available under sublease from a carrier now operating at OAK.

Evidence of City and County of San Francisco

The assistant deputy director of SFO presented testimony concerning the availability of facilities at SFO. The witness testified that three commuter airlines (Swift Aire, Stol, and Marin) now operate from Gate 10 assigned to United. The contractual arrangement to use Gate 10 was made by United, with approval of SFO. SFO does not desire any additional commuter airline operations from Gate 10. If Commission approval is given to any additional operations, SFO desires that such additional operations be conducted from Butler Aviation's facilities at the north end of the field (away from the south and central terminal facilities) until such time as the northern terminal facility, now under construction, is completed.^{4/} Passengers using Butler Aviation's facilities would need to travel about 1½ miles to reach the main terminal areas.

Testimony of FAA Witness

A witness appearing for the FAA, Bay Terminal Radar Approach Control Facility (TRACON) presented Exhibit 4 (in Application No. 55777) which is a report on air traffic control systems related to SFO and OAK. The conclusions expressed in Exhibit 4 with respect to fixed-wing operations are summarized in the following statements:

^{4/} Only Eureka Aero would be affected as Stol and Marin already serve SFO. Eureka Aero agreed to use Butler Aviation facilities, if necessary.

Because of the variables involved, such as runway configuration, weather, time of day, it is extremely difficult to predict the impact of increased transbay operations on the Air Traffic Control (ATC) system. Because Bay TRACON must sequence and provide separation to all fixed-wing aircraft landing and departing San Francisco and Oakland runway 29/11, Bay TRACON will experience an increased workload proportionate to the number of operations approved. The complexity of the increased workload is entirely dependent on airport capacity and weather conditions.

SFO has a maximum airport capacity of 74 arrivals and departures per hour under optimum conditions. The present number of arrivals and departures range from a low of 14 to a high of 62 per hour. In good weather the additional flights proposed by applicants can be accommodated. However, when instrument flight conditions prevail, fewer flights can be accommodated; therefore, during bad weather conditions the additional flights proposed by applicants would cause delays to other aircraft using SFO. Bad weather conditions sufficient to cause inordinate delays occur infrequently so that only rarely will the fixed-wing operations proposed by applicants cause severe delays and stacking at SFO.

Staff Evidence

The Commission's Transportation Division staff presented three exhibits. Exhibit 5 (in Application No. 55777) contains the following data.

Marin - A.56744

Marin has been in operation only since October 1975. The Commission has received 17 informal complaints involving Marin's scheduled operations. Marin discontinued service at Palo Alto before requesting authority to do so. Marin charged fares to Livermore and Palo Alto not on file with the Commission.

Based on data supplied for September and October 1976, Marin has a poorer departure record than other applicants. The staff has observed late arrivals, and an analysis of pilot log book entries for May 1976 showed that Marin's planes arrived at stops more than 15 minutes late 41 percent of the time. The staff concluded that Marin has had difficulty in meeting its schedules.

Marin presented evidence through its vice president of operations designed to rebut staff evidence concerning discontinuation of scheduled service at Palo Alto and informal complaints relating to service. According to the witness, potential passengers at Palo Alto could request flag-stop service. Some informal complaints were without merit, and others had mitigating circumstances.

Stol - A.56757

The staff report contains little information concerning Stol. According to the report, Stol began operations in 1972. Since that date, the Commission has received 15 informal complaints.

The staff has no information concerning reliability and on-time performance of Stol's scheduled operations.

The staff disagrees with Stol's estimate of 15,000 transbay passengers per month. The staff believes that the demand for transbay air service will not exceed 11,000 passengers per month.

Eureka Aero - A.56773

Eureka Aero began operations in 1972. Since that date, the Commission has received only one informal complaint.

An analysis of Eureka Aero's execution of scheduled operations during September and October 1976 showed that it performed almost all of its scheduled departures in September, and in October it performed all of its scheduled departures.

The staff estimated that there will be a demand of 11,000 passengers per month between SFO and OAK based on origin and destination counts of SFO Helicopter. Eureka Aero forecasts it will handle 4,313 passengers under its proposed schedules. Eureka Aero's proposed service may be insufficient to meet total demand.

Estimated Available Seats and Load Factors

Table 16 of staff exhibits contains the following:

Seats per Month and Joint Load Factors for Any Three
Airlines in Combination in Service Between Oakland
And San Francisco

<u>Airlines</u>	<u>Seats per Month</u>	<u>Load Factor</u>
Marin, Stol, Eureka	25,373 to 54,127	20 to 43
Marin, Stol, Seaboard	33,054 to 61,392	18 to 33
Stol, Eureka, Seaboard	34,085 to 57,415	19 to 32
Marin, Eureka, Seaboard	29,633 to 35,923	31 to 37

Load factors are based on a demand of 11,000 passengers per month. Air Cal is assumed to be carrying a negligible number of passengers between OAK-SFO.

Staff Recommendations

The staff report contains the following conclusions and recommendations.

It can be seen from the above table that there will be no need for three carriers to offer turnaround service between SFO and OAK.

Eureka Aero has complied with the requests of the Commission staff and has provided reliable service for more than four years; therefore, it is the staff's recommendation that Eureka Aero be granted a temporary certificate to serve between SFO and OAK for

one year. However, Eureka Aero cannot handle all of the demand, and Stol is in a good position geographically to assist in serving the market. Stol should be granted a temporary certificate to serve between SFO and OAK for one year.

The staff further concludes that the record of complaints, the neglect to submit tariffs correctly, the departure record, the poor adherence to schedules show that Marin is not serving its existing routes well. The staff recommends that Marin should not get additional operative authority until it demonstrates that it can handle its existing route structure; therefore, the staff recommends that Marin not be granted a certificate to serve between SFO and OAK.

Environmental Impact

The Commission staff concluded that the additional service recommended above will not have significant impact on the environment. Staff Exhibit 6 (A.55777) states that there would be no delays at SFO from the additional flights recommended above when landings at SFO are made under Visual Flight Rules (VFR). Visual flight conditions assertedly prevail at SFO approximately 70 percent of the time. The following is the situation when additional landings by applicants at SFO are made under Instrument Flight Rules (IFR):

Landing at SFO Under IFR

2 flights per hour	- No delay
3-4 flights per hour	- Considerable delay
Over 4 flights per hour	- Excessive delay
At 4 flights per hour	- 3 aircraft are delayed for approximately 3 minutes each.

Fuel per minute per average aircraft (DC 8)	10,000 lbs. = Hour	167 lbs. = Minute
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Stol presented data to show that at its assumed break-even load factor, 1.25 gallons of fuel per passenger would be used by it between SFO and OAK. Stol estimates that 3.5 gallons of fuel per passenger would be consumed if a private automobile was used for the trip between SFO and OAK. Therefore, Stol concludes that its additional service would have less impact on the environment than the automobile it would replace.

Testimony was received to the effect that the type of aircraft proposed to be used will not cause any adverse noise impact upon residents adjacent to SFO and OAK. Most takeoffs and landings would be made over water or relatively unoccupied land masses.

Discussion

All applicants and the staff conclude that public convenience and necessity require the proposed operations based on the fact that SFO Helicopter transported about 12,000 passengers per month between SFO and OAK before that operation was terminated. We also rely on patronage of the former SFO Helicopter operations as a clear indication for the need for the renewal of airline service between SFO and OAK, particularly to provide connection to services of trunk air carriers. We concur in the staff conclusion that only an insignificant amount of that need will be met by Air Cal's OAK-SFO service authorized in Decision No. 87056. We recognize the desire of Port of Oakland to achieve greater usage of OAK by interstate carriers. Our primary concern herein is to authorize airline service that will meet the needs of airline passengers, not to attempt to allocate passengers between competing airports.

We agree with the staff that the proposed operations of any one applicant will not provide the same number of available seats as was formerly provided between OAK and SFO by SFO Helicopter. Therefore, two fixed-wing applicants should be authorized to provide service between SFO and OAK. We also concur in the staff recommendation that Eureka Aero and Stol are best able to provide adequate service to the public.

We take official notice of our investigation in Case No. 10287 which was instituted for the purposes, among others, of determining whether Marin has merged with another passenger air carrier (Nor-Cal Aviation, Inc.) without Commission authorization, whether Marin has provided any passenger air service prohibited by its certificate, and whether Marin has failed to adequately observe the tariff regulations or other rules of this Commission. The data set forth in the staff report, together with the investigation in Case No. 10287 (which is not completed) shows that Marin may not possess the fitness to conduct the proposed operations. In addition, Marin's scheduled airline operations have not been profitable. Marin's annual report to the Commission shows an operating loss of \$42,100 for the year 1976. Financial problems may have caused the proposed sale of its routes and related assets to Nor-Cal Aviation, Inc. in Application No. 57048.

This opinion does not cover Application No. 56814 filed by Pacific Seaboard which seeks to provide a helicopter service between SFO and OAK and also heliports in Marin County, Emeryville, and downtown San Francisco. Pacific Seaboard's request for a temporary certificate was denied by Decision No. 87180 dated April 5, 1977. That decision states as follows:

"The request for an immediate ex parte order granting the relief should be denied for the following reasons: Public hearing in Application No. 56814 has been held on a common record with the applications of other airlines seeking certificates to operate as passenger air carriers between San Francisco and Oakland. The applications are submitted subject to the filing of concurrent closing briefs on or before March 31, 1977. The evidence adduced in connection with Application No. 56814 indicates that Pacific Seaboard possesses no helicopters of the type it proposes to operate in the San Francisco Bay Area, and that it has no arrangements for terminal or counterspace at San Francisco International Airport or Marin County Heliport. Proposed operations at Marin County Heliport are protested by adjacent homeowners on the basis of excessive noise levels. There is no existing heliport in downtown San Francisco. It is apparent that Pacific Seaboard does not possess the equipment and facilities to immediately commence service between the points in question. Moreover, the presiding examiner ruled that additional evidence should be received with respect to environmental issues pursuant to Rule 17.1 of the Commission's Rules of Practice and Procedure before a certificate for helicopter airline service, as requested in Application No. 56814, is granted."

It is clear that public convenience and necessity require the immediate reinstitution of service between OAK and SFO. Pacific Seaboard did not at the close of the hearing have the ground or flight equipment necessary to immediately initiate operations over any portion of its proposed routes. Therefore, we should not delay reinstitution of transbay service by attempting to resolve issues raised in Pacific Seaboard's application before any new authorizations are issued. Pacific Seaboard's application will be decided by separate order because it involves issues not present in the captioned proceedings.

The certificates issued to Eureka Aero and Stol should be temporary for a period of one year because those carriers may not be able to acquire counter and terminal space at SFO or OAK to conduct the operations authorized.

Findings

1. Marin, Stol, and Eureka Aero operate as passenger air carriers between points in northern California. Each serves either SFO or OAK, but none serves between SFO and OAK.

2. SFO Helicopter has abandoned service on all of its routes, including service between SFO and OAK. The only air passenger service between SFO and OAK is that provided by Air Cal. Air Cal does not provide sufficient seats to accommodate the traffic formerly handled by SFO Helicopter.

3. Public convenience and necessity require the operation of additional air service between SFO and OAK.

4. Eureka Aero and Stol can provide sufficient seats to meet the estimated need for additional air service between SFO and OAK.

5. Eureka Aero and Stol have the necessary aircraft and personnel and the financial ability to commence the proposed service.

6. Marin's operations are under investigation by the Commission in connection with the proposed sale of its certificate to Nor-Cal Aviation, Inc., and Marin's operations have not been profitable. Of the applicants under consideration, Marin is the least fit, willing, and able to render the proposed operations.

7. Public convenience and necessity require the immediate commencement of air service between SFO and OAK by Eureka Aero and Stol.

8. The additional flights resulting from the SFO-OAK service with fixed-wing aircraft authorized here will place an added burden on air traffic control facilities in the San Francisco Bay Area, but will not cause delays to other aircraft at SFO except under extreme weather conditions encountered only infrequently. No delays will occur to other aircraft at OAK.

9. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions

1. Temporary certificates for a period of one year should be issued to Eureka Aero and Stol to provide passenger air service between SFO and OAK.

2. The applications of Eureka Aero and Stol should be granted to the extent provided in the order which follows, and Marin's application should be denied.

Eureka Aero and Stol 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. Eureka Aero Industries, Incorporated, a corporation, is granted a temporary certificate of public convenience and necessity authorizing it to operate as a passenger air carrier between San Francisco and Oakland, subject to the limitations and conditions set forth in Appendix B of this decision.

2. Stol Air, Inc., a corporation, is granted a temporary certificate of public convenience and necessity authorizing it to operate as a passenger air carrier between San Francisco and Oakland, subject to the limitations and conditions set forth in Appendix C of this decision.

3. The temporary certificates granted here shall expire October 31, 1978.

4. 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, each applicant shall file a written acceptance of the certificate granted. By accepting the certificate each 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, each 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.

5. Except to the extent granted by the above ordering paragraphs, Applications Nos. 56744, 56757, and 56773 are denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 2nd
day of AUGUST, 1977.

Robert B. Samuel
President
William J. Guss
Vernon L. Sturgeon

Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

LIST OF APPEARANCES

Applicants in Consolidated Proceedings: W. J. Connolly and Neil A. Grosman, for Stol Air, Inc.; Helen C. Murphy, for Yosemite Airlines; Joe McClaran, Attorney at Law, and John J. Flynn, for Eureka Aero Industries, Inc.; Jack Robertson, Attorney at Law, and Richard T. Duste, for Marin Aviation, Inc., doing business as California Air Commuter; Wallace S. Fingerett, Stephen Ellis, Attorneys at Law, and William R. Chamberlain, for Pacific Seaboard Airlines, Inc.; and Graham & James, by Boris H. Lakusta and David J. Marchant, Attorneys at Law, and Frederick R. Davis, for Air California.

Protestants in Application No. 56814: Joseph R. Parker, Attorney at Law, and William Rothman, for themselves; and Carol W. Fetterman and J. Martin Rosse, for Strawberry Area Community Council.

Interested Parties: John E. Nolan, Attorney at Law, for Port of Oakland; James B. Brasil and David Kroopnick, Deputy City Attorneys, for City and County of San Francisco; Richard C. Lovorn, for SFO Helicopter Airlines, Inc.; Kenneth C. Nagel, Attorney at Law, and R. L. Kuhn, for Cal-Tex Helicopter Airlines; Kenneth D. Taylor, for DeHavilland Aircraft of Canada; Vincent J. Mellone and Brian E. Hauf, for Federal Aviation Administration, Bay Air Traffic Terminal Radar Control Facility (BAY TRACON); and Donald F. Morrissey, for Loomis Courier Service, Inc.

Commission Staff: Thomas F. Grant, Attorney at Law.

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Appendix B

EUREKA AERO INDUSTRIES, INCORPORATED
(a corporation)

Original Page 1

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

SFO - 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. Authority granted herein is temporary and shall expire October 31, 1978.

3. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
SFO	San Francisco	San Francisco International Airport
OAK	Oakland	Oakland International Airport

4. Eureka Aero Industries, Incorporated may link the service authorized in this temporary certificate with passenger air carrier service heretofore authorized to be performed from and to OAK.

Issued by California Public Utilities Commission,

Decision No. 87672, Application No. 56773.

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Appendix C

STOL AIR, INC.
(a corporation)

Original Page 1

Stol Air, Inc., by this temporary certificate of public convenience and necessity, is authorized to operate as a passenger air carrier between the following airports:

SFO - 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. Authority granted herein is temporary and shall expire October 31, 1978.

3. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
SFO	San Francisco	San Francisco International Airport
OAK	Oakland	Oakland International Airport

4. Stol Air, Inc. may link the service authorized in this temporary certificate with passenger air carrier service heretofore authorized to be performed from and to SFO.

Issued by California Public Utilities Commission.

Decision No. 87672, Application No. 56757.