

ORIGINAL³Decision No. 87843 SEP 13 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of D. W. MERCER,)
 doing business as MERCER)
 ENTERPRISES, for a certificate) Application No. 48157
 of public convenience and)
 necessity as an air carrier.)

Application of MERCER ENTER-)
 PRISES, a California Corpor-)
 ation, and of D. W. MERCER dba)
 MERCER ENTERPRISES, for transfer) Application No. 51106
 to the first applicant from)
 the second applicant of)
 Certificate of Public Conven-)
 ience and Necessity, issued)
 under Order No. 71490 on)
 November 1, 1966.)

ORDER OF REVOCATION

By Decision 71490 dated November 1, 1966, in Application 48157, D. W. Mercer, dba Mercer Enterprises, was granted a Certificate of Public Convenience and Necessity to operate as a passenger air carrier between Burbank, Long Beach and Brown Field in San Diego County. This authority was transferred from D. W. Mercer (an individual) to Mercer Enterprises (a corporation) by Decision 75894, dated July 8, 1969, in Application 51106.

On August 11, 1971, Mercer Enterprises filed a petition requesting a temporary suspension of its Certificate of Public Convenience and Necessity for a period of approximately seven months (August 9, 1971 to February 28, 1972). By Decision 79246, dated October 13, 1971, the request for suspension was granted for a period of 90 days, and an additional 90-day suspension was granted by Decision 79440, dated December 7, 1971.

Mercer, by a letter dated February 14, 1972, requested the suspension be extended for an additional 90 or 120 days. By Decision 79849, dated March 28, 1972, the matter of further suspension was set for public hearing.

A public hearing was held on April 27, 1972, to determine the reasons for continuance of the suspension. Based upon the evidence, the Commission by Decision 80152, dated June 13, 1972, suspended the Certificate of Public Convenience and Necessity of Mercer until further order of the Commission.

The Commission staff has inquired on several occasions concerning Mercer's plans to resume passenger air carrier service. By a letter dated November 25, 1974, Mr. D. W. Mercer informed the Commission that Mercer had completed a survey and concluded that resumption of service would work an undue hardship on the company, but that he expected to resume service to Brown Field within six months to one and one-half years.

In response to an inquiry by Mr. Alan F. Heath, President and Chief Executive Officer of Mercer, the staff, on August 15, 1975, forwarded all pertinent information and regulations for reinstating passenger air carrier service. Mr. Heath met with the staff on August 18, 1975, and in a letter dated August 20, 1975, he indicated that Mercer would contact the staff regarding its intentions. No further correspondence was received until the staff contacted Mercer by telephone on April 7, 1976. A representative of the carrier indicated that there were no immediate plans to resume scheduled air passenger service per Mercer's existing certificate.

On April 21, 1976, Mr. Heath notified the Commission that the corporate name of Mercer Enterprises had been officially changed to Pacific American Airlines.

On June 14, 1976, Pacific American (formerly Mercer Enterprises) filed a petition in A. 48157 to modify its certificate to delete reference to DC-3 aircraft. The petition contained no environmental analysis relative to change in aircraft size and resulting noise impact on the airport communities.

In a letter dated July 26, 1976, the staff requested details on the actual aircraft to be used, service to be offered and an environmental analysis of the effects to be expected at

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Burbank, Long Beach and Brown Field. Pacific American responded in three letters dated August 3, September 14, and October 1, 1976, the latter giving an environmental analysis using the DC-6 aircraft and indicating the carrier would accept a change in its certificate from DC-3 to specifically DC-6 aircraft rather than deletion of all reference to aircraft.

In view of the time elapsed since service was last performed, it was felt that definite data was needed concerning the resumption of operations. On March 17, 1977, the staff requested additional information from the carrier. No answer has been received as of August 16, 1977. The last correspondence received from the company was its letter dated October 1, 1976, previously mentioned.

The Commission finds that the continuous suspension of scheduled passenger air carrier service since October 1, 1971 by Mercer Enterprises (now Pacific American Airlines) and the apparent reluctance of the carrier to reinstitute such service between Burbank, Long Beach and Brown Field in San Diego County, are good cause for revocation of its authority. Revocation of this certificate will not prejudice future applications for Certificates of Public Convenience and Necessity by Pacific American Airlines.

The Commission concludes that the Certificate of Public Convenience and Necessity of Mercer Enterprises, now Pacific American Airlines, should be revoked.

IT IS ORDERED that the Certificate of Public Convenience and Necessity of Mercer Enterprises is revoked and the tariff now in suspension under the name Pacific American Airlines is cancelled.

The Executive Director shall mail a certified copy of this order to Mr. Alan F. Heath, President, Pacific American Airlines, P.O. Box 7369, Burbank, CA, 91510, the last known address as shown on the Commission's records.

The effective date of this order shall be the 30th day after the above mailing to Pacific American Airlines, unless before

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such effective date there shall have been filed with the Commission written response to this order requesting public hearing in which event the effective date of this order shall be stayed until further order of the Commission. Should such written response be received, hearing shall be held at a time and place to be set by the Commission.

Dated at San Francisco, California, this 13th
day of SEPTEMBER, 1977.

Robert Bateman
President
William Lyons Jr.
Yusef L. Stinson
Robert D. Hoyle
Chas. C. DeBrie
Commissioners