

Decision No. 88371 JAN 17 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MARTIN AVIATION, INC.)
 for a certificate of public convenience)
 and necessity to provide commuter) Application No. 57679
 passenger air service between Calexico,) (Filed November 9, 1977)
 on the one hand and Los Angeles/Santa)
 Ana, on the other hand.)

O P I N I O N

By this application, Martin Aviation, Inc., seeks a Certificate of Public Convenience and Necessity as a passenger air carrier between the airport at Calexico and the airports at Santa Ana and Los Angeles. The applicant does not seek authority to provide service between Santa Ana and Los Angeles. No protests to the proposed service have been received.

Staff investigation, including field review, indicates that applicant is engaged in various air operation businesses, including charter air passenger and cargo service between Calexico and Los Angeles/Santa Ana. Applicant is providing specialized air transportation service for the industries in the Calexico/Mexicali area and the Los Angeles/Santa Ana market. They have contracts with more than 20 agencies which are committed to purchase a minimum of 40 seats each month between these points. As many as a dozen casual requests a month have been received to provide the requested service. It is the intention of the applicant to schedule these flights and provide ticket service to the general public.

Applicant complies with insurance requirements of General Order 120-C.

The application provides sufficient evidence of the applicant's experience and financial stability. In addition, the applicant owns the land and the physical plant at the Santa Ana Airport where the aircraft, that will be used on the certificated route, are based, serviced and maintained. Arrangements have been made at

Calexico and Los Angeles Airports for aircraft services and space for resident sales personnel.

Applicant presently employs approximately 145 people. This staff includes a sufficient number of certificated and amply qualified flight and maintenance personnel.

Applicant proposes to commence operations with the following eight-passenger seat aircraft:

1. A 1974 Piper Model Navajo "B" Registration No. N33RL.
2. A 1976 Piper Model Chieftain, Registration No. N63589.
3. A 1977 Piper Model Chieftain, Registration No. N27313.

Under lease agreements, backup aircraft are available.

Applicant proposes to fly two round trips on a Monday through Friday basis between Calexico and Los Angeles and Santa Ana. The only weekend service will be a Sunday 7:30 p.m. flight from Santa Ana to Calexico. This flight is necessary to reposition aircraft for the Monday morning flight from Calexico to Los Angeles.

Proposed fares, including tax, are as follows:

- \$45.58 - Calexico to Los Angeles
- \$36.04 - Calexico to Santa Ana

F I N D I N G S

The Commission finds that:

1. There is no certificated air passenger service operating between Calexico and Los Angeles/Santa Ana.
2. Applicant is requesting certification to operate air passenger service between these points, operating "closed door" between Los Angeles and Santa Ana.
3. Applicant has demonstrated that:
 - A. It has appropriate personnel and available aircraft to perform the proposed service.
 - B. It has the necessary business experience and financial stability to perform the proposed service.
 - C. It has adequate insurance coverage and is economically capable of providing adequate service to the communities.

4. As evidenced by the applicant's present air charter passenger business, the commitment of the community's business interests, the endorsements of civic leaders and the nature of recent Calexico/Mexicali growth, there is a public need for permanent passenger air service. There is no evidence that the public would be better served by issuance of a certificate on a temporary basis.

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

6. Applicant's proposed fare is about \$0.27 per passenger mile. This is not unreasonable for the type of operation proposed. Applicant calculates its breakeven load factor at 61% and projects its operating load factor at 75%.

7. No protests have been received.

8. A public hearing is not necessary.

C O N C L U S I O N S

Based upon the foregoing findings of fact the Commission concludes that a Certificate of Public Convenience and Necessity should be issued to Martin Aviation, Inc. to provide passenger air service between Calexico, on the one hand and Los Angeles/Santa Ana, on the other hand.

Martin Aviation, 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 cancelled 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 Martin Aviation, 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 set forth in Appendix A of this decision.

2. In providing service pursuant to the authority granted by this order, Martin Aviation, Inc., 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 in accordance with General Order No. 134 and to comply with the requirements of the Commission's General Orders Nos. 120, 129 and 137.
- (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 as 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 San Francisco, California, this 17th
day of JANUARY 1978.

President
William Agmon

James L. Sturgeon

Robert D. Gwalt

Clare T. Deibel
Commissioners

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

Martin Aviation, Inc., by this Certificate of Public Convenience and Necessity, is authorized to operate as a passenger air carrier between the following airports only:

CXL - SNA

CXL - LAX

LAX - SNA (See Condition 3)

Conditions

1. No aircraft having more than 30 revenue passenger seats or a payload of more than 7,500 pounds shall be operated.
2. Each airport shall be served with a minimum of one flight in each direction on each of five days a week.
3. No passenger shall be carried whose transportation is solely between Los Angeles and Santa Ana.
4. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
CXL	Calexico	Calexico International Airport
LAX	Los Angeles	Los Angeles International Airport
SNA	Santa Ana	Orange County Airport

Issued by California Public Utilities Commission.

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