

ORIGINALDecision No. ~~88785~~ MAY 2 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Petition of W. L. Murphy and)
 H. C. Murphy, doing business)
 under the firm name of YOSEMITE)
 AIRLINES, for a permanent Cer-)
 tificate of Public Convenience)
 and Necessity to operate as a)
 Passenger Air Carrier.)

Application No. 57870
 (Filed February 14, 1978)

O P I N I O N

W. L. Murphy and H. C. Murphy, d.b.a. Yosemite Airlines, requests that its temporary certificate (granted in Decision No. 86821 of Application 56173) to provide air service between Columbia, Pine Mountain Lake, Oakland and San Francisco be made permanent. Yosemite Airlines' temporary authority is scheduled to expire May 1, 1978. The applicant also requests the deletion of Condition "3" from its certificate. This condition requires Yosemite Airlines to provide a minimum of two nonstop round trips per week between Pine Mountain Lake and Oakland.

The Commission's Transportation Division staff in Application 56173, recommended granting Yosemite Airlines an interim certificate. The staff believed that granting the temporary certificate would allow the Commission to determine:

1. If there is sufficient demand to support air service to the Pine Mountain Lake/Yosemite Park area.
2. Whether service to Pine Mountain Lake Airport is a separate market from the Columbia Airport market.
3. If adequate ground transportation between Pine Mountain Lake and Yosemite can be established.

The applicant has operated scheduled air service over the requested routes for two and one-half years. During this period, the number of passengers transported by Yosemite Airlines increased from 258 in 1975 and 777 in 1976 to 1,925 in 1977.

In 1977, 437 (22.7%) of the total passengers carried by Yosemite Airlines had either their origin or destination at Pine Mountain Lake; an increase of 177 percent over 1976. This increase occurred in spite of a lack of scheduled bus-type public transportation between Pine Mountain Lake Airport and Yosemite National Park; a large percentage of the Pine Mountain Lake passengers are bound for Yosemite Park. Currently, car rental and charter bus services provide the only public transportation between Pine Mountain Lake and Yosemite Park.

Although the Pine Mountain Lake passenger market has increased, the Pine Mountain Lake-Oakland segment is no longer the dominant one in this market. When the two nonstop round trip requirement between Oakland and Pine Mountain Lake was made, Yosemite Airlines did not have the authority to fly to San Francisco. San Francisco is now the dominant city in this market, and it appears to be more feasible to serve the Oakland-Pine Mountain passengers via San Francisco. Deleting the nonstop requirement of Condition "3" would give the applicant this option.

F I N D I N G S

1. Yosemite Airlines has demonstrated its ability to perform successful passenger air carrier operations over the routes requested.
2. The applicant realized a small profit on its combined operation in 1977.
3. The passenger growth rate in the Pine Mountain Lake market is increasing.
4. There is no protest to this application.

C O N C L U S I O N S

1. Yosemite Airlines should be granted a permanent certificate.
2. The nonstop requirement to provide a minimum of two nonstop round trips between Pine Mountain Lake and Oakland should be deleted from the applicant's certificate.
3. A public hearing is not necessary.

W. L. Murphy and H. C. Murphy, d.b.a. Yosemite Airlines 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 Yosemite Airlines 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. The Certificate of Public Convenience and Necessity granted in Paragraph 1 of this order shall supersede the certificates granted by Decisions Nos. 86821 and 84532. These certificates are concurrently revoked effective with the date of this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 2nd day of MAY, 1978.

Robert B. Bunker
President
William Symons Jr.
George L. Sturgeon
Robert D. Goble
Clare J. Debraud
Commissioners

W. L. Murphy and H. C. Murphy, dba Yosemite Airlines, by this Certificate of Public Convenience and Necessity, are authorized to operate as a passenger air carrier between the following airports only:

COA-OAK	OYS-SFO
OYS-OAK	COA-SFO
OYS-COA	OAK-SFO

Conditions

1. Propeller-driven aircraft having no more than 30 revenue passenger seats or a payload of no more than 7,500 pounds shall be operated.
2. Service between COA and OAK and/or COA and SFO shall be provided with a minimum of two round trips a week.
3. No local service shall be provided between SFO and OAK.
4. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
COA	Columbia	Columbia Airport
OAK	Oakland	Oakland International Airport
OYS	Pine Mountain Lake	Pine Mountain Lake Airport
SFO	San Francisco	San Francisco International Airport

Issued by California Public Utilities Commission.

Decision No. 88785, Application No. 57870.