

AK/FS

Decision No. 88739 MAY 2 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the
Application of

SIERRA PACIFIC AIRLINES,
a California corporation,

and

MOUNTAINWEST AVIATION, INC.,
an Arizona corporation

for Order Authorizing Purchase
by MOUNTAINWEST AVIATION, INC.,
of all the assets of SIERRA
PACIFIC AIRLINES, including but
not limited to, its Certificate
of Public Convenience and
Necessity.

Application No. 57979
(Filed April 7, 1978)

O P I N I O N

Mountainwest Aviation, Inc., which is primarily a commercial operator of passenger aircraft for the Forest Service and other governmental agencies, and whose President and General Manager, Mr. Garfield M. Thorsrud, also owns approximately 83 percent of the stock of Motor Cargo, a surface carrier engaged in interstate commerce, requests authority pursuant to Sections 854 and 2758 of the Public Utilities Code, to purchase all of the assets of Sierra Pacific Airlines, including but not limited to its Certificate of Public Convenience and Necessity as a passenger air carrier, and its Class "B" Certificate No. TCP 467 to operate as a Charter-party Carrier.

Sierra Pacific Airlines (SPA) is a California corporation operating as a passenger air carrier between Los Angeles, Fresno, Bishop and Mammoth Airports. SPA also holds a Charter-party Carrier Permit to transport air passengers by bus to and from the Los Angeles Airport and to transport airline passengers in the Mammoth Lakes-Bishop Airport areas.

The applicant proposes to establish two separate corporations with separate and distinct management; one to operate and control the scheduled passenger air carrier operations in California, and one to operate and control the charter service and cargo operations in Arizona, Idaho, Colorado, Nevada, Utah and California. This is being done to insure compliance with provision of Sections 2758 and 2759 of the Public Utilities Code. The proposed acquisition of control will not jeopardize the operations of any other passenger air carrier in the California market. Furthermore, the applicant alleges that the proposed transaction will not result in creating a monopoly nor restrain competition.

F I N D I N G S

After consideration, the Commission finds that granting of the authority sought would not create a monopoly nor restrain competition. Notice of the application was filed in the Commission's Daily Calendar and no person has claimed an interest in the proceeding, either substantial or otherwise, nor has any request for a hearing been received.

The Commission also finds that Sierra Pacific Airlines is the only passenger air carrier certified by the Commission to conduct scheduled service between Los Angeles and Bishop-Mammoth Lakes and between Fresno and Bishop-Mammoth Lakes.

O R D E R

IT IS ORDERED that:

1. Mountainwest Aviation, Inc., is authorized to acquire control of all the assets of Sierra Pacific Airlines, and any relationships of common officers, shareholders, and/or directors that exist between Sierra Pacific Airlines and Motor Cargo is also authorized.
2. Within ten days after its acquisition and control by Mountainwest Aviation Inc., Sierra Pacific Airlines shall file with this Commission a copy of any resolution, instrument, or document used to effect said acquisition and control.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 2nd day
of 1 MAY, 1978.

Robert Bateman
President

William S. Squire, Jr.

Thomas L. Sturgeon

Charles P. Chavala

Paul T. Deibel
Commissioners