

ORIGINAL

Decision No. 88907 MAY 31 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of
 APOLLO AIRWAYS INC., a California
 corporation, for a Certificate of
 Public Convenience & Necessity to
 provide commuter air service to/from
 and between the Santa Barbara and
 Santa Maria and Oakland Airports

Application No. 57994
 (Filed April 11, 1978)

ORDER GRANTING NEW SERVICE

Apollo Airways Inc. now operates as a passenger air carrier between Santa Barbara Municipal Airport (SBA) and San Jose Municipal Airport (SJC) and between SBA and Sacramento Metropolitan Airport (SMF). It requests permission to operate between SBA and Santa Maria Airport (SMX), between SBA and Metropolitan Oakland International Airport (OAK), and between SMX and OAK.

Apollo owns three Handley Page 137 Jetstream aircraft, one Piper Navajo Chieftain, four Piper Senecas and a Beech Baron. The Handley Page has two turboprop engines, flies 275 m.p.h., is pressurized and carries 15 to 17 passengers. The remaining planes have two gasoline-driven propeller engines each, fly 220 to 270 m.p.h., are non-pressurized and carry about half-a-dozen passengers each. Apollo has sufficient equipment to handle its proposed and existing schedules. It has the insurance required by General Order 120-C.

Apollo has given reliable service: since January 1, 1977 it has had only one informal complaint filed against it, the only one in its three-year record with the Commission.

Apollo plans to provide early morning and early afternoon service from SBA to OAK and late morning and evening service from OAK and SBA, with a stop at SMX on all flights. The service will allow a passenger from one terminal area to conduct business in the other and return the same day. The SBA-SMX, SMX-OAK, and SBA-OAK fares will be \$14.00, \$35.00, and \$37.00, respectively. A cabin attendant will be present to serve soft drinks on all flights. There have been no protests to the application.

FINDINGS

1. Apollo has made an extensive and detailed market study for the proposed SBA-SMX-OAK service and maintains that it would carry at least 7,500 passengers SBA-OAK during the first year.

2. The airline has been successful in operating the scheduled passenger authority awarded to it by this Commission. On its SBA-SJC route in 1976 it carried 10,792 passengers with an average monthly load factor of 59%. In 1977, on this route, it carried 17,199 passengers with an average monthly load factor of 70%. From January 1976 to February 1978 its SBA-SJC traffic has seen an upward trend of 41 passengers per month. It instituted SBA-SMF service in February 1978. Its first month's load factor on this route was 63%.

3. The proposed service will employ propeller-driven planes; there will be no possibility of a significant negative effect on the environment. There may be a positive effect for the noise environment, since the proposed service would allow the growth in air traffic between SBA and the San Francisco Bay Area to be accommodated in propeller-driven instead of in jet aircraft.

4. Apollo Airways has sufficient equipment, is adequately insured, and has a good service record. There is a need for the service it proposes. Granting its proposal will not have a significant negative effect on the environment.

Apollo 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 excess of that originally paid to the State as the consideration for the granting 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 Apollo Airways Inc., a corporation, authorizing it to operate as a passenger air carrier, as defined in Section 2741 of the Public Utilities Code, among Santa Barbara, Santa Maria and Oakland. Appendix A of Decision No. 88200 is amended by incorporating Second Revised Page 1, attached hereto, in revision of First Revised Page 1. ✓

2. In providing service pursuant to the authority granted by this order, the applicant 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, the applicant shall file a written acceptance of the certificate granted. By accepting the certificate, the 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, 129 and 137.
- (b) Within one hundred twenty days after the effective date of this order, the 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 the effective date of this order on not less than ten 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.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 31st day of MAY, 1978.

Robert Batistich
President
William J. Spence
Vernon L. Sturgeon
Charles D. Howell
Commissioners

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

Appendix A
(Dec. 84627)

APOLLO AIRWAYS, INC.

Second Revised Page 1
Cancels
First Revised Page 1

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

SBA - SJC

SBA - SMF

#SBA - SMX

#SMX - OAK

#SBA - 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. Service between each pair of points, except nonstop service between SBA and OAK, shall be provided with a minimum of one flight in each direction on each of five days a week.
3. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
#OAK	Oakland	Metropolitan Oakland International Airport
SBA	Santa Barbara	Santa Barbara Municipal Airport
SMF	Sacramento	Sacramento Metropolitan Airport
#SMX	Santa Maria	Santa Maria Airport

Issued by the California Public Utilities Commission.

#Added by Decision No. 88907, Application 57994.