

Decision No. 89139 JUL 25 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
EUREKA AERO INDUSTRIES, INCORPORATED,  
for deletion of Condition "3" from  
its existing Certificate of Public  
Convenience and Necessity permitting  
Eureka Aero Industries, Incorporated,  
to carry passengers directly between  
Sonoma County Airport and Oakland  
International Airport and to add Redding  
Municipal Airport to its existing  
Certificate of Public Convenience and  
Necessity permitting Eureka Aero  
Industries, Incorporated, to carry  
passengers between said Redding  
Municipal Airport and all other  
airports on its permanent certificate.

Application No. 57475  
(Filed July 26, 1977)

Joe McClaran, Attorney at Law, and John J. Flynn,  
for Eureka Aero Industries, Incorporated, applicant.  
Donald J. Fritz, for NorCal Airlines; Robert E. Thiel,  
Attorney at Law, for Hughes Airwest; and Stanley P.  
Hebert, Attorney at Law, for Port of Oakland;  
interested parties.  
Elmer J. Sjostrom, Attorney at Law, for the Commission  
staff.

O P I N I O N

Applicant Eureka Aero Industries, Incorporated requests that Condition 3<sup>1/</sup> in its existing certificate to operate as a passenger air carrier be deleted and further requests that it be authorized to serve between the Redding Municipal Airport and all other airports it is presently permanently authorized to serve. The matter was heard before Administrative Law Judge Pilling on May 15, 1978. At the hearing the only protestant in appearance withdrew its protest. The portion of the application dealing with the deletion of Condition 3<sup>1/</sup> has been severed and consolidated for ex parte decision with a similar request to serve between Santa Rosa and Oakland filed by Stol Air, Inc. in Application No. 57116.

1/ Now Condition 2, then in Appendix A attached.

As here pertinent applicant currently provides passenger air carrier service between Eureka, Chico, Sacramento, Oakland, and Santa Rosa, and between Eureka and Redding. Granting the herein application to serve Redding will authorize applicant to serve between Redding, Chico, Sacramento, Oakland, and Santa Rosa.

Applicant has been performing passenger air carrier service since 1971. It currently operates 12 aircraft capable of providing basic and backup equipment to insure stable and reliable performance. It does not anticipate that any additional equipment will be needed to perform the requested service. It has ticketing facilities at all the airports it is requesting to serve. The proposed service will neither increase nor decrease the number of flights applicant will fly. It just realigns the routes to provide a more direct, effective, and efficient flight pattern. Instead of crisscrossing and backtracking, applicant proposes to fly each of its routes in a loop through its approved points. Start-up costs would be limited to schedule reprinting, advertising, etc., and would be more than offset by the savings in flight time resulting from the realignment. Applicant proposes to operate two southbound and two northbound schedules each business day and one northbound and one southbound schedule on Sunday. Fares, including tax, will be \$30 between Redding and Sacramento, \$20 between Redding and Chico, and \$35 between Redding and Oakland. Applicant had a net profit from operations for the year ended April 30, 1977 of \$59,545 on operating revenues of \$2,088,000. As of December 31, 1977 its net worth was \$150,078. The city of Redding supports the application as does the Port of Oakland. The Commission's formal files disclose that numerous letters from private citizens support the requested service.

The Commission staff recommends that the application be granted. Based on their studies they conclude that there is a need for the service and that the potential number of passengers who will use the proposed service will support the operation.

After consideration the Commission finds that applicant is experienced in conducting the proposed type of air operations requested; that applicant is a financially stable carrier; that applicant has adequate insurance coverage; that the type and number of aircraft applicant intends to use are suitable for the operation; that the proposed routes and minimum schedules to be established will render adequate service between the involved points; and that public convenience and necessity require the issuance of the certificate as requested in the application as it pertains to the service at Redding. The Commission further finds that there is no possibility that the activity in question may have a significant effect on the environment.

Eureka Aero Industries, Incorporated 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.

The Commission concludes that the effective date of this order should be the date on which it is signed because there is no known opposition and there is no reason to delay granting the application. The public interest is served by earlier provision of this service.

### O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Eureka Aero Industries, Incorporated, a corporation, 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 Seventh Revised Page 1 of Appendix A of Decision No. 80076, attached hereto and made a part hereof, in revision of Sixth Revised Page 1.
2. In providing service pursuant to the authority granted by this order, 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, 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 and to comply with the requirements of the Commission's General Orders Nos. 120-Series and 129-Series.
- (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 set forth in the Commission's General Order No. 105-Series.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 25th  
day of JULY, 1978.

Robert B. Truitt  
President  
William J. Quone Jr.  
Leon L. Stinson  
Charles D. Threlk  
Clair T. Smith  
Commissioners

Eureka Aero Industries, Incorporated, by this Certificate of Public Convenience and Necessity, is authorized to operate as a passenger air carrier between the following airports only:

EKA - CIC	OAK - CIC	#RDD - SMF
EKA - OAK	#OAK - RDD	SMF - STS
#EKA - RDD	OAK - SMF	SMF - CIC
EKA - SMF	#RDD - CIC	
EKA - STS		

Conditions

1. Each airport shall be served with a minimum of one flight in each direction on each of five days a week.
2. Santa Rosa shall be served on a flagstop basis and between EKA and SMF only.
  - (a) Carrier shall give at least one hour's prior notification to said carrier's ticketing agency when said carrier intends to overfly STS. Carrier shall land at STS unless such prior notice has been given.
  - (b) Carrier shall not overfly STS if a passenger is in the possession of a purchased ticket and a confirmed reservation one hour or longer before the scheduled departure time.
3. No aircraft having more than 30 revenue passenger seats or a payload more than 7,500 pounds shall be operated.

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
CIC	Chico	Chico Municipal Airport
EKA	Eureka	Murray Field
OAK	Oakland	Oakland International Airport
#RDD	Redding	Redding Municipal Airport
SMF	Sacramento	Sacramento Metropolitan Airport
STS	Santa Rosa	Sonoma County Airport

Issued by California Public Utilities Commission.

#Added by Decision No. 89139, Application No. 57475.