

Decision No. 89739 . DEC 12 1978

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
BORREGO SPRINGS AIRLINE, )  
a California corporation, for a )  
Certificate of Public Convenience )  
and Necessity to operate between )  
Long Beach and San Diego )

Application No. 58400  
(Filed October 6, 1978)

O P I N I O N

Borrego Springs Airline, doing business as Sun Aire Lines, requests a temporary certificate for authority to provide non-stop passenger air service between Long Beach and San Diego.

Borrego Springs Airline initially proposes two non-stop flights per week between Long Beach and San Diego using Swearingen metro turboprop planes; a two engine propeller, 15-19 passengers aircraft as the primary aircraft to service the requested route.

The applicant is currently providing air passenger service at San Diego and Long Beach. No additional facilities, equipment or personnel should be required to meet the increase in operations resulting from the proposed service at these airports.

No regular scheduled service exists between Long Beach and San Diego. However, PSA provided schedule service between these cities until July 1976. During its seven months of operation in 1976, PSA transported 4,012 Origin-Destination passengers between San Diego and Long Beach.

In view of the foregoing discussion and the additional number of operations per week (2) proposed at each airport, it is concluded that Borrego Springs Airline's additional service will not have a significant impact on the environment.

Given the reduced start-up cost, fare structure (\$26.00 one-way) and the number of potential passengers in this market, the proposed service is not only expected to be self-sufficient, but would allow the applicant to better utilize its present fleet of aircraft

while strengthening its entire operations.

The City of Long Beach (in a letter dated October 18, 1978) requested that the Commission take no action on this application until the city council's position, if any, is known.

The Commission was informed in a letter dated October 31, 1978 that the city council at its meeting of October 31, 1978 voted not to oppose the application of Borrego Springs Airline and would not be entering into these proceedings.

### F I N D I N G S

1. Borrego Springs Airline has the requisite of business experience, financial stability, insurance coverage and suitable aircraft to provide the service.
2. There is a public need for the proposed service.
3. Presently, neither non-stop nor direct air service is offered between San Diego and Long Beach.
4. The service as proposed would not have a significant effect on the environment.
5. There are no protests to this application.

We conclude that the application should be granted.

Borrego Springs Airline 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 temporary certificate of public convenience and necessity is granted to Borrego Springs Airline authorizing it to operate as a passenger air carrier over a nonstop route between San Diego International Airport and Long Beach Airport subject to the limitations and conditions set forth in Appendix A, attached hereto, and made a part hereof.

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 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.

A. 58400 VVB

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

Dated at San Francisco, California, this 12<sup>th</sup>  
day of DECEMBER, 1978.

Robert B. Berman  
President  
William J. Spence  
Thomas L. Sturgeon  
Charles D. Howell  
William T. Bedeich  
Commissioners

Borrego Springs Airline, by this temporary certificate of public convenience and necessity, is authorized to operate as a passenger air carrier between the following airports:

SAN - LGB

Conditions

1. No aircraft having more than 30 revenue passenger seats or a payload of more than 7, 500 pounds shall be operated.
2. Temporary authority shall expire December 31, 1979.
3. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
SAN	San Diego	San Diego International Airport
LGB	Long Beach	Long Beach Airport

Issued by California Public Utilities Commission.

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