

Decision No. 90013 ; FEB 27 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF WESTAIR COMMUTER)
 AIRLINES, INC., AND H. & H. AIR)
 SERVICE, INC., DBA GOLDEN EAGLE)
 AIRLINES FOR APPROVAL OF TRANS-)
 FER OF CERTIFICATE AND CONSOLI-)
 DATION.)

Application No. 58532
 (Filed December 15, 1978)

O P I N I O N

In Application No. 58532 WestAir Commuter Airlines, Inc., (WestAir) and H. & H. Air Service, Inc., dba Golden Eagle Airlines (Golden Eagle) seek approval of the transfer of the Certificate of Public Convenience and Necessity held by Golden Eagle to WestAir and the consolidation of the route authorities held by WestAir on the one hand and Golden Eagle on the other into a single Certificate of Public Convenience and Necessity. WestAir Commuter Airlines is presently authorized to serve the following points: Clear Lake, Concord, Napa, Oakland, San Francisco, Santa Rosa, and Ukiah. Golden Eagle as the transferee of a Certificate of Public Convenience and Necessity previously held by Nor Cal Airlines is presently authorized to serve the following points: Chico, Monterey, Sacramento, San Francisco, San Jose, South Lake Tahoe, Truckee and Redding.

After consideration and review the Commission finds and concludes that the transfer of the Certificate held by Golden Eagle to WestAir should be approved. Furthermore, the Commission finds and concludes that the route authorities held by both entities should be consolidated into a single Certificate of Public Convenience and Necessity. The reasons for these findings and conclusions are as follows:

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While the history of intrastate commuter operations in Northern California has, at times, been less than satisfactory, both WestAir and Golden Eagle will combine sufficient business and aviation experience and financial resources to conduct the proposed operation. The consolidation of operations into one entity will result in operating efficiencies due to economies of scale in flight operations, maintenance operations, reservations and passenger services and general administration. The consolidation of operating authorities into a single Certificate of Public Convenience and Necessity will result in a route system which will be economically viable and which will result in more and improved service in all markets at issue. Neither air carrier independently would be able to offer the same level of service as the combined entities and the economies that will result from the consolidation of operations should result in lower overall fares than would be possible without the economies of consolidation.

Both carriers now possess the required insurance coverage. Further, there is no possibility that the consolidation of the two carriers will have any significant effect on the environment. To the extent that the consolidation will result in increased operating efficiency some fuel savings will result. There will be no decrease in service or competition over any route by virtue of the transfer and consolidation nor will there be excessive competition over any route. No other air carrier will be adversely affected by the approval of the transfer and consolidation.

The application has been protested by Air Pacific, Inc. and Air California. These protests have been withdrawn.

In withdrawals (received by the Commission on February 20, 1979) of their protests to Air Pacific's Applications Nos. 58576 and 58577, WestAir and Golden Eagle state that the certificate to WestAir will include, in addition to the WestAir routes and the three Golden Eagle (Nor Cal) routes, the route Redding-Chico-Santa Rosa-Sacramento-San Francisco. No protests to this route have been received.

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The approval of this transfer and consolidation will improve the stability of commuter air service at all the communities in question and will serve the public convenience and necessity of the communities and the State of California.

WestAir 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 aspects such rights extend to the holder of a full or partial monopoly of a class of business. This monopoly feature may be modified or cancelled 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) The transfer of the Certificate held by Golden Eagle to WestAir is hereby approved.

2) That a new Certificate of Public Convenience and Necessity be issued to WestAir Commuter Airlines, Inc. authorizing WestAir to operate as a common carrier by air (passengers, freight and mail) to, from, and between the following points: Chico, Clear Lake, Concord, Monterey, Napa, Oakland, Sacramento, San Francisco, San Jose, Santa Rosa, South Lake Tahoe, Truckee, Redding and Ukiah. That the Certificate be issued in accordance with the Public Utilities Code of the State of California in the form set forth in Fourth Revised Page 1 of Appendix "A" attached hereto and made a part hereof.

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3) That in providing service pursuant to the authority granted by this order, WestAir shall comply with the following service regulations. Failure to do so may result in cancellation of the authority.

(a) Within thirty days after the effective date of this order, applicant WestAir shall file 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 No. 120-Series and 129-Series.

(b) Within 120 days after the effective date of this order, applicant WestAir shall establish the authorized service and file tariffs, in triplicate, with the Commission.

(c) The tariff filing 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 filing 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 of filing of tariffs set forth in the Commission's General Order No. 105-Series.

4) WestAir is required to file tariffs for the consolidated route authorities and to cancel the tariffs of H & H Air Service, Inc., dba Golden Eagle Airlines.

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The effective date of this order shall be thirty days
after the date hereof. Dated at San Francisco,
California, this 27th, day of FEBRUARY, 1979.

John E. Bryson
PRESIDENT

Vernon L. Sturgeon

Richard D. Howell

Clair T. Dugdale

Samuel W. King
COMMISSIONERS

WestAir Commuter Airlines, Inc., by this certificate of public convenience and necessity, is authorized to operate as a passenger air carrier between the following airports only:

<u>Route 1</u>	SFO-STS	SFO-UKI	STS-CKE	OAK-CCR	SFO-OAK
	SFO-APC	SFO-CKE	UKI-CKE	OAK-STS	CCR-APC
	SFO-CCR	STS-UKI	APC-STS	OAK-APC	CCR-STS

Route 2 Between the airports RDD, CIC and SMF.

Route 3 Between the airports SFO, SJC, SMF, TTA and TVL.

Route 4 Between the airports SJC and MRY.

Route 5 Between the airports RDD, CIC, STS, SMF and SFO.

Conditions:

1. No aircraft having more than 30 revenue passenger seats or a payload of more than 7,500 pounds shall be operated.
2. Each airport pair shall be served 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>
SFO	San Francisco	San Francisco International
STS	Santa Rosa	Sonoma County Airport
CCR	Concord	Buchanan Field
APC	Napa	Napa County Airport
UKI	Ukiah	Ukiah Municipal Airport
CKE	Clear Lake	Lampson Field
OAK	Oakland	Oakland International Airport
RDD	Redding	Redding Municipal
CIC	Chico	Chico Municipal
SMF	Sacramento	Sacramento Metropolitan
SJC	San Jose	San Jose Municipal
TTA	Truckee	Truckee-Tahoe
TVL	South Lake Tahoe	Lake Tahoe
MRY	Monterey	Monterey Peninsula