

Decision No. 90015 FEB 27 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 AIR PACIFIC, INCORPORATED, for a)
 Certificate of Public Convenience)
 and Necessity to Provide Passenger) Application No. 58577
 Air Carrier Service to and from) (Filed January 4, 1979)
 Redding and San Francisco and)
 Chico and San Francisco.)
)

O P I N I O N

Air Pacific, Incorporated, requests a permanent Certificate of Public Convenience and Necessity for authority to provide nonstop passenger air service between Redding and San Francisco and Chico and San Francisco. In the interim, Air Pacific seeks either a temporary certificate to operate or an exemption from the certificate provisions of Section 2767^{1/} of the Public Utilities Code.

Presently, Hughes Airwest, Golden Eagle and and the applicant provide service from Redding and Chico to San Francisco. Air Pacific has single plane air passenger service to San Francisco via Oakland from Chico and Redding. However, Airwest provides the only nonstop services to San Francisco from Chico and Redding.

^{1/} Section 2767 of the Public Utilities Code states: "Upon application by a passenger air carrier or other interested party, the commission may, following a determination of necessity, exempt the passenger air carrier from the certificate provisions of Sections 2752, 2754 and 2754.1 upon a finding that such provisions impose an undue burden upon the carrier, a community, or area because of the immediate need for service including, but not limited to, conditions of national emergency, natural disaster or cessation of existing service caused by a labor dispute, and that enforcement of such provisions would be contrary to the public interest. Exemptions issued pursuant to this section may be issued for a maximum of 90 days and may be renewed for the same or a lesser period."

Applicant initially proposes at least one-round trip daily between Redding and San Francisco and one-round trip, Monday through Friday between Chico and San Francisco using a deHavilland DHC-6 aircraft; a two-engine turboprop 19-passenger plane. The new nonstop service shall not require any additional personnel, aircraft or facilities to initiate. The cost of the new service, therefore, should be minimized because of reduced start-up cost.

Hughes Airwest schedules two and one-half and one and one-half round trips daily between Redding-SFO and Chico-SFO, respectively. In 1978, Airwest transported 34,949 origin destination (O&D) passengers between Chico-SFO, offering 131,055 seats with a load factor of 73.8 percent. Airwest flew 135,966 seats, carried 84,201 O&D passengers with an average load factor of 61.9 percent in the Redding-San Francisco market for 1978.

The Commission concludes that the additional nonstop service to San Francisco from Chico and Redding will provide an improvement in air service for the community, perform a needed public service and would complement Hughes Airwest service in the market.

Jet aircraft operate at Chico, Redding and San Francisco. These jets are much noisier than the DHC-6 and are the dominant source of noise. Therefore, the additional DHC-6 flights would not have a significant impact on the environment at these airports.

The application has been protested by Golden Eagle Airline. Golden Eagle contended that the applicant had failed to comply fully with the requirements of Rule 21 of the Commission's Rules of Practice and Procedure. This protest to the application has been withdrawn.

F I N D I N G S

1. The service proposed would not have a significant effect on the environment.
2. There is a public need for the proposed service.
3. Air Pacific, Inc., has the requisite business experience, financial stability, insurance coverage and suitable aircraft to provide the service.

4. There is no immediate need for the proposed service which would exempt the applicant from the certificate provision of Sections 2752, 2754 and 2754.1 of the Public Utilities Code.

5. There are no protests to this application.

Air Pacific, Inc., 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 granting of such rights. Aside from their purely permissive aspect, such rights extend to the holders 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 permanent Certificate of Public Convenience and Necessity is granted to Air Pacific, Inc., authorizing it to provide nonstop passenger air service between Redding and San Francisco and Chico and San Francisco subject to the limitations and conditions set forth in Appendix A of Decision No. 80076. Appendix A is amended by incorporating Twelfth Revised Page 1 attached hereto in the revision of Eleventh 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 in accordance with General Order No. 134 and to comply with the requirements of the Commission's General Orders Nos. 120, 129, 137 and 144.

A. 58577 - FS

- 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.

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

Dated at San Francisco, California, this 27th
day of FEBRUARY, 1979.

John E. Burns
President
George L. Sturgeon
Richard W. Howell
Charles J. Sedgwick
Edward M. Quinn
Commissioners

Air Pacific, Incorporated, by this certificate of public convenience and necessity, is authorized to operate as a passenger air carrier between the following airports only:

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

Conditions

1. Each airport shall be served with a minimum of one flight in each direction on each of five days a week.
- #2. Air Pacific will provide passenger service solely with aircraft having a maximum passenger capacity of less than 56 passengers.

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

Issued by California Public Utilities Commission.

#Added by Decision No. 90015, Application No. 58577.