

90039 FEB 27 1979

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of Paso Robles Flying Service,)
Inc., doing business as)
Golden Carriage Aire, for a)
Certificate of Public Conven-)
ience and Necessity to provide)
passenger air service between)
San Francisco International)
Airport, on the one hand, and)
Paso Robles Municipal Airport,)
on the other hand; and appli-)
cation for exemption pursuant)
to Section 2767 of the)
California Public Utilities)
Code.)

Application No. 58593
(Filed January 11, 1979)

INTERIM OPINION

Paso Robles Flying Service, Inc., d.b.a. Golden Carriage Aire, has an air taxi or commercial operator's certificate issued by the Federal Aviation Administration. Although it provides charter, on-call passenger, and aeromedical air service within California; it has no certificate to carry passengers in scheduled service issued by the California Public Utilities Commission.

Paso Robles Flying Service, Inc. requests a Certificate of Public Convenience and Necessity to operate scheduled passenger air service nonstop between Paso Robles Municipal Airport (PRB) and San Francisco International Airport (SFO).

The airline has three Piper airplanes, and plans to use its Piper Navajo to operate the service. Its Piper Navajo is a twin-engine propeller plane designed to carry seven passengers at 245 mph. Two flights in each direction will be operated -- leaving PRB at 7:00A and 2:05P, and leaving SFO at 9:20A and 5:30P, at a one-way fare of \$38.75 including tax.

The equipment operated by Paso Robles Flying Service, Inc. is small, relatively quiet, and relatively pollution-free compared to the jets operated at SFO. With approximately 125 general aviation aircraft based at PRB, the four operations per day proposed by the applicant will not cause a large percentage increase in flights out of or into PRB. The gross weight of the Piper Navajo is approximately 7,000 pounds compared to 23,370 pounds for Swift's Nord and 13,500 pounds for Swift's DeHavilland Heron. Therefore, this proposal by Paso Robles Flying Service, Inc. will not have a significant effect on the environment.

The applicant has on file with the Commission evidence of insurance coverage against liability of bodily injury and property damage as required by General Order 120-C.

Paso Robles Flying Service, Inc. claims that the present PRB-SFO air service is inconvenient because of the times of day it is scheduled and, as a result, many passengers wanting to go to SFO are forced to drive to San Luis Obispo (SBP) and fly from SBP to SFO. This driving is inconvenient for the residents of Paso Robles; therefore, the applicant requests that the procedure allowed by Section 2767 of the Public Utilities Code, i.e., that the airline be given an exemption of 90 days from the certificate requirements of Sections 2752, 2754 and 2754.1, be followed; and a permanent certificate be granted ex parte within the 90-day period.

In Application No. 58596, Eagle Aviation, Inc., d.b.a. Eagle Airline Service, Inc., is also requesting authority to carry passengers in scheduled service between Paso Robles and San Francisco. Eagle and Paso Robles Flying Service have been notified of each other's application. Together Eagle and Paso Robles Flying Service will offer more flights than presently offered by Swift.

During 1978 Swift carried 664 origin and destination passengers between PRB and SJC and 2,220 between PRB and SFO.

In a letter received February 23, 1979, Eagle Airlines protested the granting of Paso Robles Flying Service's application, and requested that comparative hearings be held. Eagle Airlines alleges that the demand for service between Paso Robles and the Bay Area is insufficient to support

competitive scheduled air operations and that if two carriers are to operate the resultant operating losses will cause a total cessation of air service between Paso Robles and the Bay Area.

Because of the protest and Eagle's allegations the Commission will grant both carriers a ninety-day exemption from the certificate provisions of Sections 2752, 2754 and 2754.1 pursuant to Section 2767 of the Public Utilities Code to perform passenger air carrier service as set forth in the ensuing order.

A hearing will be held at a time and place to be announced.

Because of the emergency created by the cessation of service at Paso Robles by Swift, this order will issue without the notice requirements of Section 11125 of the Government Code and the effective date of this order will be the date of signing.

Paso Robles Flying Service, 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 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.

I N T E R I M O R D E R

IT IS ORDERED that:

1. Paso Robles Flying Service is exempted from the certificate provisions of Sections 2752, 2754 and 2754.1 of the Public Utilities Code in the performance of passenger air carrier service set forth in Appendix A.
2. In providing service pursuant to the authority granted by this order, Paso Robles Flying Service, Inc. shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.
 - (a) Within ten 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 120, 129, 137 and 144.

- (b) Within sixty 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 five days after the effective date of this order or 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 105-Series.
- (e) Due to the emergency created by the cessation of service at Paso Robles by Swift the effective date of this order is the date hereof.

The effective date of this order is the date hereof.

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

John E. Coyne
PRESIDENT
Vernon L. Sturgeon
Richard W. Powell
Charles T. Desjardis
Edward J. Smith
COMMISSIONERS

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APPENDIX A

E X E M P T I O N

Paso Robles Flying Service, Inc.

d.b.a.

Golden Carriage Aire

Paso Robles Flying Service is exempted from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code in the performance of passenger air carrier service between the following airports:

PRB-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 shall be served with a minimum of one flight in each direction on each of five days a week.
3. The exemption granted herein shall expire in ninety days from the date of the decision noted below unless sooner cancelled, modified or extended.
4. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
PRB	Paso Robles	Paso Robles Municipal Airport
SFO	San Francisco	San Francisco International Airport

Issued by the California Public Utilities Commission

Decision 90039 , Application 58593.