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ORIGINAL

Decision No. 90757

August 28, 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's  
own motion into matters related  
to California's interest in  
Essential Air Service pursuant to  
the Airline Deregulation Act of  
1978 (P.L.95-504, 92 Stat. 1705).

OII No. 48  
(Filed May 8, 1979)

(Appearances are shown in Appendix D.)

OPINION AND ORDER

Prior to enactment of the Airline Deregulation Act of 1978, (P.L.95-504, 92 Stat. 1705), (Deregulation Act), which amended the Federal Aviation Act of 1958 in numerous respects, economic regulation of air transportation of passengers and property within the State of California was the responsibility of two agencies, the Civil Aeronautics Board (CAB), a federal agency, and the California Public Utilities Commission (Commission). The CAB was responsible for interstate rates of passengers traveling into and out of California as well as route certification of those air carriers certified for interstate operation by the CAB. The Commission, on the other hand, had jurisdiction over the California intrastate rates of all air carriers transporting passengers in California whose origin and destination were both within the state. In addition, the Commission regulated the routes and service of those carriers operating wholly within California which did not hold a certificate from the CAB.<sup>1/</sup> Pursuant to federal court decisions which ruled on the applicability

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<sup>1/</sup> Safety of air travel has been exclusively the province of another federal regulatory agency, the Federal Aviation Administration.

of provisions of the Deregulation Act, this Commission is enjoined from exercising regulation over any carrier having authority under Title IV of the Federal Aviation Act of 1958, as amended. The court decisions are now on appeal.

This investigation focuses on three sections of the Deregulation Act. First, the declaration of policy in Section 102(a), as amended, provides for the encouragement of air service through secondary or satellite airports when consistent with regional airport plans or regional and local airport authorities and when such encouragement is endorsed by appropriate state entities. Maintenance of a comprehensive and convenient system of continuous scheduled airline service for small communities and isolated areas with direct federal assistance where appropriate is also delineated. These goals depend upon the cooperation of the appropriate state agencies including this Commission. Second, many public officials and communities feared that implementation of the Deregulation Act would result in low fares and good air service to major urban areas and a deterioration of air service to smaller, more rural and more isolated communities. Partly in response to these concerns, the Deregulation Act contains Section 419 which establishes a program to ensure the provision of essential air service to communities threatened with the loss of vital air service. Third, the essential air service program might not have been of such dramatic significance to California, were it not for Section 105 being added to the Act with its subsequent litigation. Section 105 endeavors to preempt state regulation of intrastate air transportation. This is the previously mentioned matter that is before the courts. With state regulation of air carriers being taken away by federal legislation and with the federal government currently committed to a goal of deregulation of the airline industry, the essential air service program appears at this time to be the sole vehicle for insuring continued air service to certain California communities.

The minimal service which is guaranteed under the essential air service program is the lesser of (a) two round trips per day to at least one community of interest or, (b) the level of service during 1977. In addition, the only communities for which this essential air service will be guaranteed are those which on October 24, 1978, the date of enactment of the law, were receiving service from a carrier which was, at the time, certificated by the CAB or which was authorized by the board to provide that service. The law thus guarantees minimal service to only certain communities. It allows higher levels of service to be set if the CAB considers it essential in a given situation. It also allows for additional cities to become eligible for such a service guarantee at some time in the future.

Guidelines proposed by the CAB to implement this program seem to indicate that service levels beyond the statutory minimum should not be expected, and even that level is only for points which have had service at some time by a carrier certificated by the CAB. There are, however, communities in California whose only service was by a carrier operating under Commission jurisdiction. They are not eligible for any service guarantee and the Commission is not able to ensure service due to the federal preemption. Two examples of this situation are Bishop and Ukiah.

The CAB is currently working to establish the first essential air service levels as required by the law. It will then be required to establish guidelines to determine which additional points should be given the guarantee and determine which communities meet those guidelines.

The Deregulation Act requires that the CAB consult with the interested communities and state agencies on matters relating to essential air service; therefore, it is important that California be prepared to respond to the board in a concerted manner. To assure that the interests of California communities and the state in general

are fully developed and presented, this investigation was instituted to determine air service needs of the state's communities. Its purpose was to obtain as much information as possible to assist the CAB in making essential air service determinations for California communities in the Category I group (see Appendix B). Second, it was to obtain information on air transportation needs in California to support designation of Category II Points as eligible points for essential air service.

Since the inception of this proceeding, the Governor has designated the California Department of Transportation (Caltrans) as the agency which is to represent the State of California before the CAB on matters related to the essential air service transportation program being developed by the CAB. This step was in conformance with provisions of the Deregulation Act. By agreement with Caltrans, the purpose of this proceeding is the development of an evidentiary record to provide the basis for Commission recommendations as to the levels and character of air service necessary to guarantee essential air transportation to small communities in California. The Commission will forward the results of these hearings to Caltrans for its consideration in presenting California's position on this subject to the CAB.

The pertinent provisions of Section 419 require the CAB to:

1. Determine what is essential air transportation for the eligible points as defined in the Act. This is to be done not later than October 24, 1979.
2. Establish objective criteria for designating additional eligible points not later than January 1, 1980.
3. Review and designate prior to January 1, 1982 which additional points are eligible under the criteria established.

4. Determine what is essential air service for eligible points affected by termination, suspension, or reduction of air transportation service.

In accordance with the above objectives, the Commission scheduled 10 hearing days in nine cities throughout the state extending from July 5 to August 9. The hearings were held in Stockton, San Francisco, Bakersfield, Redding, Eureka, Santa Barbara, Los Angeles, Imperial, and Bishop. Thirty-nine persons made formal appearances. There were 13 witnesses, 69 persons made statements, and 67 exhibits were received.<sup>2/</sup> The hearings were held before Commissioner Claire T. Dedrick and/or Administrative Law Judge Albert C. Porter. In addition to the formal hearings, a prehearing conference was held on June 12, 1979 in San Francisco to discuss the preliminary issues including dates and locations of the hearings. At the prehearing conference it was agreed by the parties that the hearings would encompass considerations of issues, including but not limited to:

- a. What is essential air transportation for the eligible points in California?
- b. What are the criteria for designating additional eligible points?
- c. Which additional points should be included for essential air transportation?
- d. What is essential air transportation for eligible points affected by termination, suspension, or reduction of air service?

Appendix B is a summary of the hearing locations and dates and the suggested points that were to be covered in addition to the hearing location point.

In chronological order the following is a summary of the testimony and statements presented at the hearings.

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<sup>2/</sup> See Appendix C for list of exhibits.

Stockton, July 5, 1979

In Stockton the staff presented its recommendations for essential air service at Stockton, Modesto, and Merced. The recommendation for Stockton was three round trips a day by large aircraft (100 seats or more) between Stockton and Los Angeles and three round trips by large aircraft between Stockton and San Francisco. The recommendation for Merced was one large and one small aircraft (30 seats or less) each used in round trips to Los Angeles with the same service to San Francisco. It was recommended that 400 seats per day be furnished between Modesto and San Francisco. The number of flights would depend on choice of equipment size. For example, service with DeHavilland Twin Otters with 19 seats would require ten round trips per day. The same service could be accomplished by four round trips per day using 50-seat DeHavilland Dash 7s.

The staff recommendations were based on a study of the number of round trips necessary to handle historical traffic for the period generally including January 1, 1977 through the latest date for which statistics are available. After the Deregulation Act became effective, the level of service and the carriers providing service changed so frequently we have not attempted to state herein the level of air service now being furnished or the air carriers providing that service. Staff recommendations for these locations, as well as others to follow, were based primarily on the historical experience at the various airports. This was done because the law requiring the October 24, 1979 determination by the CAB must reflect current needs and not future needs. The level will not be fixed permanently but may be adjusted in the future if increased needs are demonstrated. The staff conceded that a determination made in this way may not reflect a community's real need because there may not have been adequate service to begin with. After cross-examination the staff witness stated that he should have recommended Modesto to Los Angeles service. The original staff recommendation was revised at the hearing in Los Angeles on July 31 to include a recommendation that Modesto-Los Angeles service be equal to San Francisco's, i.e., 200 seats per day in each direction.

Mr. Perry Taft, Assistant City Attorney for the city of Stockton, brought out an important point concerning the Deregulation Act that affects the city of Stockton and perhaps other cities in this state. Although the determination of essential air service must be made prior to October 24, 1979 for most cities, it should be made earlier than that for Stockton. This is because on the date of the act, October 24, 1978, Hughes Air West, as provided for in the act, filed a 90-day notice to terminate service at Stockton. Under the provisions of the act, the CAB must within six months thereafter make a determination of essential air transportation for Stockton. Additionally, Mr. Taft criticized the idea of having one rigid formula for all cities regardless of size and previous service to determine essential air service.

Mr. Richard Elkington, Manager of the Economic Development Department of the Greater Stockton Chamber of Commerce, stated that since the Deregulation Act became effective Stockton has suffered a severe reduction in the level of service being offered. Hughes Air West has withdrawn completely from the market. Pacific Southwest Airlines (PSA), the only carrier currently offering Stockton to Los Angeles service, has reduced its schedules to two round trips per day. PSA's schedules have been juggled to make it virtually impossible for the Stockton/San Joaquin business traveler to go to Los Angeles and return the same day. United Airlines, currently the only trunk carrier offering local service to smaller California communities, has also reduced its service to two round trips a day between Stockton and San Francisco, one in the early morning and the other in the late evening. Recently Air Pacific and Yosemite Airlines began service between Stockton and San Francisco, but because of the size of their equipment it is difficult to determine just what their impact on traffic will be.

Mr. Ralph Tonseth, Manager of the Stockton Metropolitan Airport and Director of the Department of Aviation for the county of San Joaquin, brought up a unique problem that the smaller airports

have in trying to get airlines to serve at convenient times. This is the problem of "slotting". Slotting is the procedure undertaken either by the FAA, or by a major airport operator and the FAA jointly, to limit the capacity of an airport either for environmental or operational purposes. Large airports, such as San Francisco or Los Angeles, set a maximum number of flights per hour during peak traffic periods. Air carriers with small planes are competing for air space and landing times at the large airport with air carriers operating large planes. Larger airports are more inclined to accept a 747 from New York than a Twin Otter from Stockton during time periods in which takeoffs and landings are restricted. The airport would be more interested in serving 400 people from New York rather than 19 people from Stockton in the periods when flights are restricted. Therefore, depending upon the availability of landing times at an airport, a large receiving airport could dictate the leaving times at smaller airports.

Mr. Tonseth also stated that Stockton-San Francisco traffic is not primarily commuter traffic, i.e., traffic between Stockton and a major airport consisting primarily of business traffic leaving Stockton in the morning and returning in the afternoon. His best estimate is that 60 to 75 percent of the traffic is connecting to further destinations. In the case of Los Angeles the reverse would occur with approximately 70 to 80 percent being considered commuter traffic.

Mr. Richard C. Smith, Airport Manager, Modesto County Airport, stated that community needs should be based on an air service study taking into account demographic factors of a community. Those factors could then be compared to communities that are receiving adequate air service and an estimate made of community air service needs for the airport under consideration. For instance, Mr. Smith compared Modesto to Fresno which he considered was receiving adequate service.



Mr. Smith stated that using historical service as a base from which to project needs is in error in the case of Modesto because that city has never received adequate service. Mr. Smith stated that surveys referred to below show that over 65 percent of his community's air travelers have to drive to other airports to obtain air service. He estimated that over 100,000 people per year have to drive to the Bay Area to connect with air service they require. Using inputs from surveys conducted by the Modesto Chamber of Commerce, a citizens committee, and a professional air service consultant, Mr. Smith concluded that the minimum essential air service requirements for Modesto-San Francisco should be six round trips per day by aircraft with 50 seats or more, and, for Modesto-Los Angeles, four round trips per day by aircraft with 50 seats or more. Service could be reduced to four flights to San Francisco and two flights to Los Angeles during weekend off-peak travel periods. Mr. Smith stated that Modesto has suffered a serious economic setback as a result of losing direct air service to Los Angeles. He believes that Modesto does not need a subsidy, all it needs is a willing and able carrier. Mr. Joseph M. Good, Executive Vice President of the Modesto Chamber of Commerce, supported Mr. Smith's comments and recommendations.

Mr. Robert Stanley, Chairman of the Modesto Chamber of Commerce Aviation Committee and an employee of Gallo Winery, stated that the word "essential" should be replaced by the word "vital" when considering what constitutes reasonable air service in and out of Modesto.

Mr. Nells Fransen, a municipal court judge, stated that his business activities and those of his acquaintances require air transportation within the valley from Stockton to Fresno and Bakersfield.

San Francisco, July 6, 1979

The staff recommended for Monterey/Salinas service seven round trips per day by large jet aircraft between Monterey/Salinas and Los Angeles, and the same level of service between Monterey/Salinas and San Francisco. This would provide 1,442 seats per day for each market assuming use of a 103-passenger aircraft (Boeing 737).

For Santa Rosa the staff recommended eight round trips per day between Santa Rosa and San Francisco using a nine-passenger aircraft.

Recommendations by the staff for Monterey/Salinas and Santa Rosa were based on historical data and a 60 percent load factor.

Mr. Donald C. Flynn, Manager of Airports, Contra Costa County, testified that the county is a growing, expanding part of the nine Bay Area counties. Its population ranks ninth in the state and by virtue of per capita income it ranks fifth in the state, and yet the county has no scheduled airline service. The county is interested in reliable, efficient air commuter service from Buchanan Field to Oakland and San Francisco Airports. Up until June 14, 1979 there was round-trip service by WestAir between Buchanan Field and San Francisco Airport.

Mr. Flynn pointed out that Buchanan Field, since it was once served by SFO Helicopters, a certificated CAB air carrier, should be included within Category II on Commission records which presently do not show it as such. Under that category it can be urged before the CAB that Buchanan Field be designated as an additional eligible point for essential air service.

Bakersfield, July 23, 1979

At the Bakersfield hearing the staff made recommendations for Bakersfield and Visalia air service. For Bakersfield the staff recommends five round trips per day by large aircraft between Bakersfield and Los Angeles and three round trips per day by large aircraft between Bakersfield and San Francisco. The staff also recommended two round trips per day between Bakersfield and Sacramento with small aircraft. The staff recommended two round trips daily between Visalia and San Francisco, at least one of which would be by large aircraft. This would provide Visalia with airfreight service as well as passenger service. The staff made the same recommendation for service between Visalia and Los Angeles.

Mr. Matthew Dee Rees, representing Kern County, and Alfred F. Eaton, representing the Kern County Department of Airports, gave testimony on behalf of Kern County Department of Airports and Kern County. They testified that Kern County operates a system of ten airports in the county. Meadows Field is the airport serving the Bakersfield area with roughly a trade area of 319,000 people. Ground transportation from Bakersfield to Los Angeles Airport by car takes about two and one-half hours and to San Francisco Airport about six hours. The witnesses stated that Kern County seems to be suffering the ill effects of deregulation at the moment even though it is a large area exceeding that of Massachusetts, Hawaii, and New Jersey combined. Agricultural production in 1977 totaled \$800 million in Kern County. Kern County produces more oil than the State of Oklahoma. The present emphasis on increasing the country's independence of foreign crude oil production is placing an additional burden on Kern County, thereby increasing the business activity of the county.

Kern County gave testimony before the House of Representatives' Committee on Public Works and Transportation in August of 1977 expressing support for the concept of deregulation but also expressing concern that liberal exit authority and its effect upon medium-size communities

could be disadvantageous. Kern County felt that 90 days was too brief a period for a community to obtain suitable replacement air service, which is what is required under the Deregulation Act. The witnesses stated that Congressman Clausen, who chaired the hearing, stated that he wanted to be sure that areas like Bakersfield, Modesto, and others are provided with a maximum opportunity for adequate service. They felt reassured when coming away from the hearing that Bakersfield and like communities would not suffer during the transition period. In 1978 Bakersfield was served by United Airlines, Hughes Air West, and Swift Aire Lines. Now Bakersfield is served only by Swift Aire, Sunstreamair, and Air Pacific. Collectively the present operators furnish only a small fraction of the capacity required to serve Bakersfield. The CAB allowed United to suspend service based on the fact that Air Pacific would begin service on June 8. Air Pacific had promised the community three flights per day between Bakersfield and San Francisco with its Dash 7 50-seat aircraft. This is less than half the capacity that United was providing the market. However, since June 8, Air Pacific has not been able to provide adequate service and United has been required by the CAB to supplement Bakersfield service because Air Pacific was providing unreliable service. In spite of this, the witnesses stated that Kern County still supports the principles of deregulation, they would only like to see the time for finding suitable replacement carriers when certificated CAB carriers drop out extended from 90 days to as much as two years. Further, the national standard established by the CAB, based on its interpretation of the intent of Congress setting a community's air service requirements at 120 seats a day, is grossly inadequate for cities such as Bakersfield. They stressed that the results of these hearings should be a united California position on deregulation and a strong Congressional effort to redirect deregulation to prevent gross disruptions of air service to small communities like Bakersfield.

Another problem brought out by the witnesses was that there is no one to whom an entity can complain today in contrast to the situation prior to the Deregulation Act where a complaint could be lodged with either the CAB or this Commission. The recommendation of Kern County for essential air service is 280 seats daily in each direction between San Francisco and Bakersfield and 420 seats daily between Bakersfield and Los Angeles.

Ms. Doris Bray testified on behalf of Searles Valley Community Service Council. The council consists of delegates from business firms, community organizations, schools, churches, and governmental organizations in Trona, California. One of its community concerns is Inyokern Airport. Ms. Bray presented a petition on behalf of the council which urges that the Inyokern Airport be declared an airport entitled to essential air service. Air service is not available to Trona unless one travels to Ontario, 130 miles away, or to Los Angeles, 180 miles. Trona is 38 miles from the Inyokern Airport which constitutes the only airport within a reasonable distance of Trona. The main business activity in Trona is the Kerr-McGee Chemical Corporation, which has three large plants that manufacture chemicals mined from Searles Dry Lake. Kerr-McGee recently built a \$100 million plant and there are plans for a fourth plant in the Searles area. There is a need for travel by air from Trona to points all over the world. Executives from Kerr-McGee travel extensively between Trona and Oklahoma City, the home office of Kerr-McGee.

Mr. Donald Klein, representing Stateway Airlines, presented an exhibit which consists of a filing by Stateway under Docket 34793 before the CAB, and is a petition to the Board to provide essential air service for Merced and Visalia.

Mrs. Ann Marie Bernell stated that the present service of Air Pacific from San Francisco to Bakersfield is inadequate when Air Pacific uses its small 17-passenger planes. She criticized the fact that the plane has only one pilot, no restrooms, no water, and no smoking. That type of plane is not proper in her opinion for service to Bakersfield.

Mr. Carl F. Bermell supported his wife's contentions and, in addition, stated that consistent service is what airline patrons are looking for.

Mr. Stephen Schmitt, Aviation Director, Kern County Department of Airports, stated that the substitute service by Air Pacific in place of United Airlines has not been satisfactory. He stated that current information shows that 73 percent of Air Pacific's flights have departed 15 minutes past the scheduled departure time and 26 percent have departed over 30 minutes late. There is much confusion about Bakersfield service, United Airlines having been ordered in and out of Bakersfield by the CAB when Air Pacific has been unable to meet its schedules. Mr. Schmitt, in support of Mr. Eaton's earlier testimony, stated that the 90-day pull-out period for an airline does not allow enough time to find a suitable replacement carrier. As an example, Air Pacific was supposed to start service in Bakersfield the first part of June but it was unable to do so because its equipment had not been certified by the FAA. It did not start operations until July 3. By July 4 the one and only certified captain for its DeHavilland Dash 7 had run out of flight time and the company substituted Twin Otter service. About half of the service offered by Air Pacific has been by the small Twin Otter aircraft. He stated that there has been a great deal of difficulty just getting airlines on the telephone to make reservations. There was a problem in knowing whether Air Pacific or United Airlines was serving Bakersfield during this interim period, illustrating the fact that the 90-day period is too short because it does not allow time for notification and an orderly transition. Mr. Schmitt said that the CAB determination that essential air service from Bakersfield to San Francisco should be 60 seats per day each way, 30 seats in the morning and 30 in the afternoon, is ridiculous considering the market that is available at Bakersfield. He stated that a standardized formula for each of the cities for which the CAB must make a determination is inadequate because of the varying conditions

in cities concerning airport facilities, traffic generated, and area served. He said the CAB in granting certificates of public convenience and necessity has overlooked completely "necessity". Mr. Schmitt said that Bakersfield now has a very good airfreight service provided by Federal Express, however, it is limited to 70-pound packages and by the amount they can carry. The communities of interest with Bakersfield seem to be the larger cities, such as San Francisco, Los Angeles, and Sacramento. There does not appear to be a great need for service to such cities as Visalia, Fresno, Merced, or Modesto. However, it would be feasible to share service with those cities to San Francisco, Los Angeles, and Sacramento.

Ms. Fayne Davis, a resident of Bakersfield, criticized the reservation systems used by airlines serving Bakersfield. She stated that recently she called, received a recorded message, and waited 40 minutes while music played and finally gave up trying to get a reservation clerk.

Another citizen, Ms. Mary Sweeney, said she had the same experience as Ms. Davis. She added that even though she finally got a ticket on the way back from San Francisco, Air Pacific substituted a 19-seat plane for the 50-passenger plane and she had to be put on standby. Although she was scheduled to depart at 1:45 p.m., she did not get on that flight, but was put on the next flight which was scheduled to leave at 5:00 p.m., but did not leave until 6:00 p.m. Although she sent several letters to various parties complaining about the matter, she received only one reply and that was from a state senator asking that she advise him of the outcome of her inquiries.

Redding, July 25, 1979

At Redding the staff presented recommendations of essential air service for Redding/Red Bluff and Chico. The recommendations were for two nonstop round trips by large jet aircraft between Redding and San Francisco, and two nonstop round trips by large aircraft between Chico and San Francisco. In addition, the staff recommends one round trip by large jet aircraft between Redding and

San Francisco with a stop in Chico, and one round trip per day by large jet aircraft between Redding and Sacramento. Staff recommendations are based on estimates of present need for air service and do not reflect estimates of future needs, based on the understanding that under Section 419(2)(c) the CAB "shall periodically review the determination of what is essential air transportation to each eligible point, and may, based upon such review and consultations with any interested community and the state agency of the state in which the community is located, make appropriate adjustments as to what is essential air transportation to such point." Therefore, the staff recommends that the Commission urge Caltrans to determine the additional air service required taking into account the growth of cities such as Redding, the usual situation in California, and bring this to the attention of the CAB yearly.

Mr. Howard Kirkpatrick, Councilman for the city of Redding, stated that it appears that the CAB is making decisions without regard to the actual situations which pertain to the individual needs of communities. For instance, Shasta County, where Redding is located, has doubled its population since 1967 and currently maintains an annual growth rate of 6.3 percent. As an illustration of the absurdity of the CAB method of determining essential air service under the CAB formula, Redding would have only 60 seats on incoming and outgoing flights per day. This would provide seating for only 23 percent of the current passenger load of 254 enplanements per day. Mr. Kirkpatrick stated that the staff proposal should be amended to provide northbound flights from Redding to Portland and Seattle.

Mr. Richard W. Curry, Director of Public Works for Shasta County, speaking on behalf of the Shasta County Board of Supervisors as well as the Shasta Transportation Commission, stated that the supervisors believe that in developing standards for essential air service three things should be taken into account. First, the



climatic conditions of the Redding area require equipment that can fly in adverse weather; second, service should be provided to Portland, San Francisco, and Sacramento; and, third, there should be no less than the current level of service.

Ms. Judi Johnson, Supervisor, Tehama County, stated that the air service from Redding provides a real saving of energy for those persons who must go to San Francisco or Sacramento for business or pleasure. There is a real need in the Redding area for airfreight service because Redding is developing a more diversified industrial base.

Ms. Fran Chapter stated that she has had difficulty getting air service out of Redding on short notice. It usually requires a reservation several days ahead of time because airplanes are almost always full.

Mr. Grady Rutledge, Manager of the Bank of America's main office in Redding, said that he was concerned about maintaining the present level of air service, even though it was inadequate. He stated that he usually has a week or ten days lead time to make reservations but even then it has been difficult to get confirmation. Pressure on the southbound flights is extremely heavy.

Mr. Burt Gerlinger stated that he uses air service for business trips to Portland, Seattle, and Alaska, but that service out of Redding requires that he go to San Francisco to do so. His biggest complaint is that people coming to see him have problems getting into Redding.

Mr. Russell J. Nauta, Vice President of Tara Travel in Redding, stated that he would not like to see any reduction in service at Redding and, in fact, there should be an increase in service. Clients who call for reservations a week or two in advance are often put on a waiting list since the flights are usually full, even though travel agencies get more support from the airlines on space than an individual would. Although airlines have toll free special 800 numbers

for making reservations, such lines are very busy during peak hours and considerable time is spent waiting to get through to the airlines to make reservations.

Mr. H. N. Mims, Manager of Personnel Services - Community Relations at Kimberly Clark in Anderson, stated that his company has about 650 employees and air service is extremely important to the economics of its business. Vendors and suppliers use air service for transportation of people as well as airfreight and it is very important for business purposes to maintain a high level of air service. In particular, the need is for service to San Francisco, Sacramento, Los Angeles, Portland, and Seattle.

Mr. Mike Braden, a businessman in Redding, stated that he has many clients and customers who must come into and out of Redding with as little delay as possible. Some of his customers come from as far away as Texas and it is important that they do not lose time. One of his airfreight shipments, instead of taking 24 hours to come from Topeka, Kansas, took three and a half days. Redding business would be hurt drastically if there were any reductions in what he considers the bare minimum service presently operated.

Mr. Clair Hill, Senior Vice President of CH2M Hill, a consulting engineering firm in Redding, stated that his company employs about 1,700 people in various offices throughout the United States and is the ninth largest engineering firm in the United States. About 200 employees are assigned to Redding. In 1978 its commercial air transportation cost exceeded \$1.3 million and it anticipates about a 22 percent increase this year. The company owns and maintains a fleet of seven aircraft and employ seven commercial pilots and full-time mechanics to supplement the commercial transportation purchased. Its own planes are used for connecting flights, particularly to the north and to the San Joaquin Valley where commercial service is not available. Even with a large fleet of company aircraft the company is dependent on commercial aircraft service. Its monthly expenditure for airplane tickets of about \$10,000 has doubled since 1977. Northbound air service should definitely be expanded.

Mr. Tom Jacobs, who operates a direct sales business and a real estate business in Redding, stated that it is very important to his businesses and to others that he knows of to have adequate air service in and out of the Redding area. Although the service at Redding has improved some, it is still not adequate for the needs demonstrated. He stated that on the early morning Hughes Air West flight he has seen at least 10 or 15 people on standby, even though the flight is almost always full.

Ms. Cathy Eatmon, Manager of the Anderson Chamber of Commerce, stated that 19 percent of the industry in the Redding area is within Anderson. She stated that the Anderson area is growing rapidly and needs the air service that Redding provides.

Mr. Rick Gostyla, President of WestAir and formerly with Hughes Air West, stated that on September 1 WestAir would inaugurate a new schedule that will include four nonstops per day between Redding and San Francisco and three nonstops between Redding and Sacramento. His company is committed to the community of Redding to fill in any gaps that other carriers may create by their scheduling. He stated that his company would not be serving the Redding-Eureka market.

Ms. Margaret Orr, a Redding businesswoman with the Shasta County Board of Realtors, stated that there is a need to increase Redding air service because the community is growing rapidly.

Mr. Bruce Crandall, City Manager of the city of Dunsmuir, California, stated that there is not enough service to Redding at the present time; this forces people to drive to or from cities as far away as San Francisco, 260 miles. There definitely should be a consideration of northbound service from Redding, preferably to Portland and Seattle/Tacoma. He stated that although there is Amtrak service through Dunsmuir, this service is very inconvenient with the schedules arriving at 1:00 a.m. and 3:00 a.m.

Mr. Bill Moore, President of the Greater Redding Chamber of Commerce, testified that there are over 800 paid-up members in the Redding and greater Shasta area. He stated that Redding is the industrial, commercial and medical center for an area larger than many eastern states. He said the present airline service is inadequate, it is necessary to reserve a week ahead of time to get a seat, and that Redding is becoming a convention center with the number of people attending conventions in Redding increasing dramatically each year. Mr. Moore also urged consideration of northbound service from Redding. Many of the large business firms that do business in Redding are headquartered north of Redding. Mr. Moore preferred that any northbound service be scheduled into Portland and Seattle.

Dr. John Clark, representing the Shasta - Trinity Medical Society made the observation that there are 200 plus physicians who service the north state area. They have had problems attracting physicians to the area because of the difficulty in traveling to points outside of Redding. It is necessary for physicians to continue with their education as required by law and to do so they usually attend various meetings throughout the country as well as teaching conferences at universities such as UC Davis and UC San Francisco. Many physicians do this on a regular monthly basis but find it very difficult to obtain adequate air service out of Redding even though it is easier now that Frontier Airlines is operating. He stated there definitely should be no curtailment of service to Redding and recommends an increase.

Ms. Helen Hawk, a teacher in Shasta County, said that she was concerned about air traffic in Redding primarily because of her association with the North State Reading Conference; she said Redding is the educational center of northern California. Their conference has had meetings going on for nine years, starting with 60 people attending; by last spring it had grown to over 900. It is the airline service in Redding that enables them to have attendance such as that

at their conferences. Unfortunately, they have not always been able to schedule the most desirable speakers at their conferences because of the air service in and out of Redding.

Ms. Dottie Moore, representing herself, had just finished a veterans convention in Redding which attracted about 6,000 people. She said there is a legionnaire's conference coming which should attract about 5,000 people, most of whom will have to drive to Redding. She said that recently another convention in Redding failed to attract an entire group of persons from Corona because they could not make airline connections for a weekend stay.

Eureka, July 27, 1979

At the Eureka hearing the staff presented evidence on the levels of essential air service for Crescent City and Eureka. The recommendation for Crescent City was two round trips per day between Crescent City and Eureka/Arcata connecting with Portland and San Francisco flights; aircraft used should be twin-engine, propeller-driven with a capacity of 15 to 20 passengers. The recommendation for Crescent City was made with the understanding that there would be jet service or some other type aircraft service from Eureka to San Francisco and Portland and that the flights from Crescent City would connect with these flights. The recommendation for essential air service at Eureka/Arcata was an average of three and one-half round trips per day in each direction between Eureka/Arcata and San Francisco using jet aircraft. Also recommended were two round trips per day with 30 seats minimum aircraft in each direction between Eureka/Arcata and Portland via Crescent City using aircraft of 15 to 20 seats, and two round trips per day, 30-seat minimum in each direction, between Eureka/Arcata and Sacramento via Redding.

Mr. John Gromala, an attorney and Chairman of the Fair Air Committee, gave testimony concerning a report dated March 26, 1979 from Beauvais, Roberts & Kurth, Management Traffic Consultants. The Fair Air Committee represents, generally, the consumer-type

people on the north coast of California and was formed in December 1978 just after public notice was given that Air West was going to raise its fares as of January 1, 1979 between San Francisco and Eureka from \$30 one-way to \$46. The Committee has been involved since then both with the CAB and this Commission concerning Air West fares and service. It is the position of the Committee that Air West scheduling has had no concern for the needs of the Eureka market. For instance, there is a flight from Eureka to San Francisco at 9:00 p.m. which returns at 7:00 a.m. the next morning. Regardless of when the flights leave, it is very difficult to book on Air West to Eureka because average load factor is in excess of 80 percent. The consultants to the Committee produced a report which indicates that Air West appears to have an operating profit on its Eureka operation of \$298,000 for the year ending June 30, 1978. On the other hand, the CAB is giving a subsidy to Hughes Air West for the Eureka-San Francisco market. The exact amount of subsidy is not known; however, Hughes Air West has claimed a need of \$634,000 to subsidize this market. Mr. Gromala did not know whether Hughes actually received the \$634,000. Mr. Gromala testified that when the Deregulation Act was passed, Congress wrote a provision into it which froze the subsidies for four years beginning November 1, 1977. The subsidy cannot be changed or given to another airline, even though Air West has reduced the number of flights from four to three and increased its load factor from 67 percent to 83 percent since the law was passed.

Mr. Gromala urges that the Commission request the Governor, the Legislature, and our California Congressional Delegation to take immediate action to amend the Deregulation Act so as to provide that if an airline serving a monopoly market is receiving a subsidy, such as Hughes Air West, that it should be required to provide service at a load factor not exceeding 70 percent. The importance of this can be recognized when it is considered that Air California was seriously looking at the Eureka market earlier in 1979. Mr. Gromala claimed

Air California had requested the CAB to change the subsidy provision so that it would share the subsidy with Air West and any other airline that flew into Eureka based on passengers carried. The CAB refused, citing the Deregulation Act and saying that it could not change the subsidy because it was written into the law. As a result, Air California backed off from its study because it appeared that it would not be economical for it to try to compete with an airline head-to-head in a rather limited market to start with when the other airline had a substantial subsidy which appeared to be greater than the possible profit for the route. Mr. Gromala's position is that the Deregulation Act, instead of providing a free market economy between San Francisco and Eureka, has made it subservient to a monopoly carrier and created a climate which prevents any other airline from coming in. Further, Mr. Gromala feels that it is extremely important that the Commission take a leadership role by requesting affirmative action on the part of our Congressional Delegation to amend the law so that a corporation, such as Hughes Air West, cannot be receiving the largesse of a subsidy at the same time that it continues to restrict service. He believes the effect of the present law and regulation is completely contrary to that stated in Congressional intent which was to force competition so as to improve air service. What has happened on the contrary is that there is a stifling of competition and a diminution of the service communities once had. He points to service at Eureka which has gone downhill since the Deregulation Act was instituted.

Mr. Dave Zebo, representing the Eureka Chamber of Commerce and the city of Trinidad, the former Aviation Director for the county of Humboldt and past member of the Humboldt County Board of Supervisors, Aviation Industry Group, stated that Humboldt County has always enjoyed good air carrier service, even as far back as 1946 when

United Airlines served it. During the first year of air service to Eureka only 174 passengers enplaned. Just prior to the effective date of the airline Deregulation Act, Eureka was enplaning more than twice that many per day. He stated that airline service to Eureka is an absolute necessity because the area has a history of violence from earthquakes, fires, and floods. These have cut off ground transportation in Humboldt County. Mr. Zebo believes the staff recommendations for essential service are too low, although, he had no recommendations of his own.

Mr. Ron Clabaugh, Superintendent of Airports for Humboldt County, testified that Humboldt County is an aviation dependent, isolated territory and has a very stable air carrier market. This market has had a steady, continuous increase; with the exception of a couple of major strikes and natural disasters, there have been no peaks and valleys in the air service requirements. Mr. Clabaugh presented two surveys indicating air travel in the previous six months. These show that the overriding majority of travel out of Eureka is to San Francisco.

Mr. Lawrence Lazio, a businessman in Humboldt County, stated that he has been personally involved in the need for air transportation because of his seafood processing business. He was formerly President of the Chamber of Commerce and that was during the time Air California was seeking to serve the area. He became very involved in trying to get Air California as a second carrier to provide service into the area. However, that was unsuccessful and Air West has remained the primary carrier. He stated that up until about six or eight months ago Air West service was pretty good in and out of Eureka and reservations could be made rather easily. The service recently had deteriorated tremendously and particularly since February of 1979. He stated that he has tried to make reservations four to five times in the last few months and could not get a seat; this forced him to drive to San Francisco several times. He stated that he has lost business



because clients could not get transportation from San Francisco to Eureka. The buyers for his products come from as far away as Japan and France. Previously he had been able to ship out his merchandise by airfreight but now because of the high load factors and subsequent weight of passengers and their baggage, there is no room for freight on the DC-9 aircraft used by Air West. Where he once would send four or five thousand pounds of fish to the airport, he now sends almost nothing. Almost all of his products now move by truck to San Francisco where they are enplaned for markets throughout the United States.

Santa Barbara, July 30, 1979

At Santa Barbara the staff made recommendations concerning essential air service for Santa Barbara and Oxnard. For Santa Barbara the staff recommends service of five round trips per day by large aircraft between Santa Barbara and Los Angeles, and the same level of service between Santa Barbara and San Francisco. This would provide 1,030 seats per day for each market assuming use of 103-passenger aircraft. In addition, the staff recommends six round trips a day by commuter-size aircraft (approximately 20 passengers) between Santa Barbara and Los Angeles and the same level between Santa Barbara and San Francisco.

For Santa Maria the staff recommends 10½ round trips per day by 20-passenger aircraft between Los Angeles and Santa Maria, and the same level of service between Santa Maria and San Francisco.

For Oxnard the staff recommended 14 round trips per day by 18 to 30-passenger aircraft between Oxnard and Los Angeles.

Mr. Chris Kunze, Manager of Airports for Ventura County, stated that Ventura County has just now begun work on master plans for its two county airports, Oxnard and Camarillo. Therefore, at this time the county is not ready to make comments concerning essential air service. However, Mr. Kunze urged that the Commission have an ongoing investigation so it could continuously gather data in order to identify and recommend changes in service levels. Mr. Kunze stated

that although Los Angeles is the major community of interest for Oxnard, 95 percent of the Oxnard/Los Angeles traffic is destined to other destinations than Los Angeles.

Mr. Ron McGurer of the Santa Barbara Chamber of Commerce urged that the consideration of essential air service give great weight to the convenience of the service as far as passenger requirements are concerned.

Mr. Pat Murphy, Airport Director of Santa Barbara, stated that since the Deregulation Act went into effect the service at Santa Barbara has been curtailed by United Airlines and eliminated altogether by Hughes Air West. If it were not for Apollo and Golden West, two strong and reliable commuter carriers, Santa Barbara would be in deep trouble with its air service. At present it is short about 6,000 seats per month. Mr. Murphy stated that the quality and frequency of air service must go hand in hand with minimum essential standards. The Deregulation Act has caused a severe impact on service to small communities. He felt it was understandable that the commercial airlines financially require longer route structures to meet their corporate needs. However, when the lack of aircraft that presently exists to meet the expanding requirement of commuter airlines is weighed against the corresponding community needs, then some interim measures must be considered to positively insure minimum essential service to small or non-hub areas. Mr. Murphy believes that consideration should be given to establishing minimum essential levels of service, even if necessary on an interim basis, which will lessen the opportunity for the prime commercial carrier in a community to adjust or reduce flights at its convenience as their needs for additional service requirements arise in medium or large communities.

Los Angeles, July 31 and  
August 1, 1979

At Los Angeles the staff stated that no study would be made for Burbank and Orange County Airports because there are two or more CAB certificated carriers serving those airports. The staff also recommended that essential air service for Palmdale/Lancaster is four round trips per day between Palmdale and Los Angeles, providing a total of 144 seats.

Mr. Ted R. Heubner appeared on behalf of the Long Beach Unified School District. He stated that in the past 10 or 15 years the Long Beach Unified School District has seen its community torn between opposing factions concerning the use of the Long Beach Municipal Airport. He said that as our society has progressed, we have a situation where control of the local communities is more and more vested in the state and, subsequently, in the federal government. The concerns of the local community as a result are less important to a government agency that is not located in the community. A community is left with the obligation to provide services and yet at the same time outside parties dictate under what conditions these services have to be provided. Long Beach is a large community with 75 schools servicing the population. The school district employs approximately 2,500 teachers, a similar number of support personnel, and teaches approximately 60,000 students. Thirteen of Long Beach's schools happen to be located within the takeoff and approach patterns at Long Beach Municipal Airport. Recently the CAB granted PSA a certificate to institute service between Phoenix and Tucson originating at Long Beach. Mr. Heubner said that for the 13 schools that means more air pollution, significantly increased noise pollution, and an increased risk of a catastrophic event. He stated that the major concern of the Long Beach School District is that as the Commission, Caltrans, and the CAB proceed to determine what essential air transportation is required in California, the local people are concerned with what happens on the community level and fear that the needs of the local community and the impact on the local community may not be properly accounted for. He stated that he would hope that the Commission and Caltrans, when making recommendations to the CAB, will be extremely sensitive to the problems of a local community which may be easily overlooked when determining how many people are flying, how many flights, on what days, and for what purposes. We should not forget the people that have to pay the consequences of it. The school district, the students, and the citizenry of Long Beach have a legitimate interest in these proceedings therefore. Mr. Heubner stated that although his comments were limited solely to the Long Beach

Unified School District situation, he would be hopeful that the Commission and the CAB would consider environmental impact whenever they make decisions concerning air service. There should be a weighing of the interests of all the parties and the impact on those parties. Mr. Heubner said that although the Commission is not concerned with essential air service recommendations at Long Beach, it is possible that with an overcrowding situation at the Los Angeles Airport, essential air service flights from other communities to the Los Angeles area might possibly be considered for arrival and departure at Long Beach.

Mr. Murray Bywater appeared for the Riverside Airport.

(Riverside Airport is not a point under consideration at this time.)

Mr. Bywater is the Airport Director for Riverside and pointed out that Riverside is a so-called hyphenated point with Ontario. Hyphenated points are two or more cities that are designated by the CAB as a single point for airline service, even though the service may be to one or the other of the points. In the case of Ontario/Riverside, the service is to Ontario. Mr. Bywater believes that Riverside can support air activity on its own as a community and that something should be done about changing the status of hyphenated points when the smaller community, in this case Riverside, could support its own air service. It is his position that essential air transportation determinations should be made for each of the hyphenated cities separately. If this "dehyphenation" could take place, Mr. Bywater recommends that initially Riverside have seven flights a day on weekdays, three on Saturday, and four on Sunday to Los Angeles, and four flights on weekdays, two on Saturday, and two on Sunday to San Diego.

Mr. John Regnier, Director of Physical Planning and Development at California State University at Long Beach, supported the views of Mr. Heubner concerning the consideration of air and noise pollution by increasing the flights in and out of an airport. The State University at Long Beach is in the same situation as the 13 schools mentioned by Mr. Heubner.

Imperial, August 2, 1979

At the hearing in Imperial the staff gave its recommendations for air service at El Centro/Imperial and Blythe. For El Centro/Imperial it recommended six round trips per day, a total of 100 seats, to Los Angeles. Between El Centro/Imperial and San Diego it recommended four round trips per day, a total of 28 seats maximum in each direction. Between El Centro/Imperial and Phoenix it recommended 38 seats minimum daily in each direction with stopover service at Blythe. For Blythe it recommended two round trips per day between Blythe and Phoenix, and two round trips per day between Blythe and Los Angeles via El Centro/Imperial.

Mr. Daniel B. Pavao, Airport Manager and Chief Real Property Manager for the County of Imperial, commented on essential air service on behalf of Imperial County, the owner-operator of Imperial County Airport. He stated that he believed that the level of air service at Imperial is adequate for the movement of passengers by air at this time. Although this service is adequate for the present needs, it is most important that air carriers possess the ability to meet future passenger and airfreight demands as the markets grow. He stated that the primary air service required out of Imperial Valley is to Los Angeles/San Diego and to Phoenix. His recommendation for essential air service for Imperial was seven round trips per day to Los Angeles with aircraft containing passenger loads of 15 to 20 persons, a total available seating of 280 per day, 140 in each direction. To San Diego he recommended five round trips per day, all based on passenger capacity aircraft of a size of 15 to 20 making 200 seats available per day. To Phoenix he recommended two round trips per day with the same type aircraft for a total of 80 round-trip seats per day.

Bishop, August 9, 1979

Under the existing provisions of the Deregulation Act, only communities which have been named in the certificates of carriers certified by the CAB to provide passenger air service are eligible for the essential air service program. Bishop has never been served by a

CAB certificated carrier and is, therefore, not currently within the defined points eligible for the guaranteed service program. Prior service has been by carriers providing service within California and operating under authority from the Commission. In order for Bishop to become eligible for the essential air service program, it will be necessary for Congress to amend the Deregulation Act. The Commission has previously recommended such an amendment to the Senate Committee on Commerce, Science, and Technology during the course of oversight hearings concerning the Airline Deregulation Act. The Commission recommended that all communities which had passenger air carrier service should be eligible for the essential air service program, not merely those served by CAB certificated carriers. One of the purposes of this proceeding was to obtain supporting evidence for amending the law to allow additional communities, such as Bishop, to become eligible for essential air service.

Despite the fact that Bishop is not eligible at this time for the essential air service program, the staff made a recommendation concerning the essential air service required for Bishop. The staff recommends at least 160 seats per day on at least two round trips per day by pressurized aircraft between Los Angeles and Bishop. This would include service to Mammoth Lakes. In addition to these flights, the staff recommends at least 80 seats per day on at least two round trips per day by pressurized aircraft between Fresno and Bishop which also would include service to Mammoth Lakes. Pressurized aircraft are recommended to avoid the discomfort resulting from lack of oxygen at altitudes necessary to negotiate the Sierra Nevada Mountains beyond which Bishop and Mammoth Lakes are located.

Missing from the above recommendations are specific ones for San Francisco-Bishop and Sacramento-Bishop services. The staff position, in that regard is that its recommendations are intended to be the bare minimum requirement to serve Bishop.

Mr. Ron Kister, who is with the Employment Development Department, State of California, stated that even though his department is one of the smaller state offices in Bishop, it is essential for it to have air service to Fresno where the central regional office

for the department is located. Another destination of interest to the department is Bakersfield. The need for service to Bakersfield for the department is not as great as Fresno. The department would also like to have service to Sacramento. Mr. Kister stated that at this time of year the automobile drive to Fresno takes about four to five hours and in the wintertime, six to seven hours. The drive to Bakersfield takes about three and one-half to four hours. Mr. Denton Sonke, Manager of the Bishop Chamber of Commerce, indicated that basic economy of the area around Bishop to Inyo County is tourism. He estimates that approximately 80 percent of the economy is based on tourism, either in a direct or indirect way. He stated that Mono County is higher than that, probably in the vicinity of 95 percent. Therefore, there is a real need to consider improvements to the transportation system in the area. He believes the air service to Bishop and Mammoth Lakes area has deteriorated within the last two years. However, the tourist industry continues to expand for the Bishop area and there is a growing need for additional and improved air service. Mr. Sonke agreed to work with the Commission staff in the future on conducting a survey to determine the potential air passenger business for the Bishop/Mammoth Lakes area. Mr. Sonke said that as an indicator of the potential air business at Bishop the U.S. Forest Service reported approximately 5 million visitor days use during the last year, a visitor day being 12 hours spent in the forest by any one person.

Mr. Jim Morrison, representing the Bureau of Land Management, Area Management, for the Bishop office, stated that his office uses the present air service only four or five times a year because the connections are not to their convenience. He stated that if adequate service were available that his office would probably make 25 trips per year to Sacramento, 75 to Bakersfield, six to Riverside, ten to Reno, and possibly one to Fresno.

Mrs. Alice Abbott, representing the Eastern Sierra by Air Committee, said that her organization obtained over 1,000 signatures

on a petition to the Commission in April and May of this year as a result of Sierra Pacific Airlines terminating service at Bishop on May 13. The petition was for the Commission to do something about continuing air service to Bishop. She said the general population of Bishop and Inyo County, 17,000 persons, is extremely dependent upon regular air service. Without scheduled air service, Bishop is virtually cut off from the rest of California and, therefore, from the entire country unless one wants to drive long distances and long hours. As an example, it takes over ten hours in the wintertime to drive from Bishop to San Francisco. The Greyhound schedule is five hours to Reno departing in the evening or at 2:00 a.m. and eight hours to Fresno departing at 4:00 a.m. She believes that if a subsidy is necessary to underwrite air service to Bishop that it would only be a seed money-type of investment and that eventually Bishop could support air service at a level required to serve the community. Ms. Cindy O'Connor, a member of the League of Women Voters and Vice Chairman of the Citizens Advisory Council for the Office of Planning and Research, said that her functions require that she do much traveling throughout the state. At the present time she is very concerned about the decrease in access to points she must go to such as Los Angeles and Sacramento. She detailed a trip she took on the week prior to the hearing to northern California. She flew out on a Tuesday evening to Los Angeles and Wednesday morning flew to San Jose Airport, then went by car to Sacramento, and Thursday afternoon flew from Sacramento to Fresno and caught Nyce Airlines home. The total air fare was \$180.

Ms. Betty Denton, ex-council member of the city of Bishop and ex-mayor of the city of Bishop, said that she was extremely annoyed when she learned that the essential air service program made no allowances for communities that were not served by CAB regulated carriers prior to the Deregulation Act. When it was pointed



out to Ms. Denton that the current restrictions on Bishop qualifying for the essential air service program were not the doing of the CAB but rather that of Congress, she said that there should be a concerted effort to change the law.

Mr. D. Cook, a City Councilman and formerly Mayor of Bishop, said that he had conducted a personal verbal survey on the kind of equipment that people would prefer for air service in Bishop. Every person interviewed said they would prefer pressurized equipment. Also, they felt it was very important that aircraft serving Bishop have both a pilot and a co-pilot for safety reasons.

Ms. Grace Enfield, on behalf of herself and her husband Rollin, stated that Bishop is a hub for business activities, a staging area for trips into the high Sierra, and a center for high quality recreation in the scenic Owens Valley. It is an area center for many federal and state departments and has a consistent need for travel by persons to urban centers beyond the Owens Valley.

Ms. Jean Hartley stated that she and her husband have started an EEG (brainwave) service in the Owens Valley. This service has never before been provided in the four hospitals between Lone Pine and Bridgeport. It is necessary to have the EEGs sent to Fresno to be read by a neurologist. Any method of transporting them to Fresno, other than air, is impractical because of the time constraints involved.

Ms. Yan Kinney spoke in support of flights between Bishop and Fresno. She said that because of the geographical location of Inyo and Mono Counties that air passenger service is vital for both the economy of the area and for governmental services. She quoted from a letter by Walter Stiern, a state senator, that federal deregulation of airlines will impose hardships on many communities in California, but the loss of service to the Bishop area will be especially detrimental.

Ms. Margie Walkersaint, formerly Director of Passenger Services for Sierra Pacific Airlines, stated that one of the reasons the former service from Bishop to Fresno was not too popular was because the aircraft used was unpressurized and had no co-pilot.

Mr. Don Buser, with the University of California, White Mountain Research Station, stated that his operation involves a high altitude physiology and astronomy research station. He has been there for some 30 years. He stated that his operation attracts researchers from all over the world at various times of the year, that the astronomy work that they do is concentrated in the winter months rather than the summer and, because of the difficulties of winter travel over snow covered mountains, air travel is essential in order to get to Bishop. He said that 80 percent of air travel needs during the winter months are westbound to San Francisco, Oakland, and Sacramento. Federal and state tax dollars would be saved if there were more direct service into Sacramento and the San Francisco Bay Area.

Ms. June Wangsgard, appearing on her own behalf, believes that the Bishop/Mammoth Lakes areas can and will support an airline service and, with the continuing gas shortage and high cost of gas, there will be more and more people traveling to and from the area by air. She believes a well-run air service that meets the needs of both the tourists and the community businessmen ought to be self-supporting, and that if it should come about that the area cannot support an airline, then it should work with the air service and do some positive promotional work.

Mr. Steve Lassare pointed up the fact that one of the problems today is high fares; during the discussion prompted by his comments it was brought out that under the Deregulation Act no one has control over pricing with respect to the small carriers and rules are being loosened up a great deal with respect to the larger carriers.

Ms. Ellen Hardebeck presented letters from herself and three other persons who were unable to attend the hearing, all of which can be characterized as pleading for regularly scheduled air service in and out of the area.

Mr. Chuck Fryxell, Acting Pollution Control Officer for the Great Basin Unified Air Pollution Control District, which encompasses Inyo, Mono, and Alpine Counties, said that his needs are to fly to places other than Los Angeles and Fresno directly. What he requires is some kind of commuter service to San Francisco and Sacramento. The present scheduling requires him to fly either to Fresno or Los Angeles to get to Sacramento or San Francisco by air.

Mr. Bob Ford, a CPA with businesses located in Bishop and Mammoth Lakes and who is also President of the California Society of CPAs, an 18,000 member organization spread throughout the state with 13 chapters, stated that his requirement is to travel to the Legislature and the State Board of Accountancy in Sacramento. The present airline schedules make it very difficult for him to do so.

Ms. Gwen Philbrick, Secretary of Union Carbide Corporation, Metals Division, Bishop Operations, submitted a letter on behalf of her company urging that Bishop be considered an essential air service point due to its isolation, lack of other forms of transportation, and the community needs for emergency services. Her company has 420 employees in the Bishop area.

Mr. Gomer James stated that he and his wife retired in Bishop a little over a year ago and have a continuing need to travel to the Los Angeles area by air.

Ms. Eunice Tilston, who is a permanent resident in Bishop and has lived there for 15 years, stated that she has seen the population increase greatly in that time. A large number of people in Bishop are retirees who have selected it because of its unique and beautiful setting. She said there is a need for good air service in and out of Bishop.

Ms. Nancy Varnum, who, together with her husband, owns the High Sierra Travel Service in Bishop and has been in business there for five years, stated that the Deregulation Act has made their work three times greater than it was prior to the Act. She stated that travel agencies, by law, have to maintain and keep an air tariff which consists of seven books for which she gets 10,000 replacement pages a week. If they do not keep up the airline tariffs, they are shut down by the government. She stated that the number of weekly replacements has increased considerably since the Deregulation Act went into effect and makes her business almost an impossible one to run. Ms. Varnum said that her business would be happy to participate in the survey that will be made by the staff in cooperation with the Chamber of Commerce.

Mr. Lefty Irwin, a supervisor from Inyo County, brought with him to the hearing a copy of the Supervisor's Agenda from the previous week; he indicated that the agenda had a request from 14 employees for travel. Most of these employees are department heads or management employees earning approximately \$30,000 a year. Their travel needs were to Sacramento, Los Angeles, and San Francisco, and, because of present airline scheduling, each of them requires one to two extra days on the road in order to complete their business. He stated there would be a significant saving in the cost to local government if better air travel were available.

Mr. Bob Stanford, a supervisor from Mono County and representing Mammoth Lakes, stated that the county had recently purchased the Mammoth Lakes/June Lake Airport. The county will attempt to develop the airport so they can attract larger aircraft than are able to now use the airport. The county is 100 percent behind improving air service and this is one of the reasons the county bought the airport and, about two years ago, engaged consultants to develop an aviation facility plan. Mr. Stanford entered the site selection and master plan for the facility as Exhibit 67.

Mr. Don Chapman, a superior court judge, brought out some unique points concerning the requirements for air service to the area. He stated that because of the tourism in the area, many of the crimes committed and witnessed are done so by people from outside of the county, and in most cases, from many miles away. He said that this results in a continuing problem because witnesses from out of the area, such as Los Angeles, San Diego, and San Francisco, must attend the judicial proceedings in order for due process to be achieved. Not only does it create a problem of getting the people to the area, but there is an expense involved and the scheduling problems sometimes become insurmountable. As a result, many cases must be dismissed since they cannot meet limitations for in-custody preliminary hearings.

Dr. Joseph Abbott stated that he has a small practice in Bishop and is also a Professor of Medicine at the University of California in San Francisco and is Chief of Cardiology Service at the Fresno Veterans Administration Hospital. He is required to use air service frequently in his activities and, therefore, supports adequate air service to Bishop. In his opinion the Deregulation Act induced Sierra Pacific, an airline that formerly served Bishop, to depart for more lucrative federal runs, specifically, charters for some of the federal agencies.

Criteria Used in Determining  
Essential Air Service

In general, the specific recommendations of the Commission staff have been adopted in Appendix A. The testimony of the public witnesses generally confirms those recommendations, with the exceptions noted in Appendix A.

In making its recommendations, our staff endeavored to give full consideration to the particular needs of individual communities. Among other factors it considered were the geographical isolation of communities, such as Bishop, driving times to alternate airports, population, terrain, levels and types of economic activity, and proximity to communities of interest. Particular attention was given

to the historical traffic and service. Allowances were made for depressed traffic because of poor historical service, e.g., Modesto. The staff considered the need for single-plane service and the need for a business person to be able to fly between communities of interest, conduct his or her business, and return on the same day. It looked at environmental considerations such as at Oxnard, where the airport is located one mile from the city. The staff also considered the need for transportation of air cargo, particularly of perishable goods. It also looked at load factors. The staff believes that there should be a sufficient number of flights so that travelers will not be turned away.

California is a state of great diversity and vast distances. The essential air transportation needs of its communities cannot be determined mechanically. California citizens need to be able to travel to its economic and political centers of San Francisco, Los Angeles, and Sacramento, as well as to other communities of interest, and to be able to enter the national air transportation network.

#### Discussion

The Commission is impressed by the number of people who attended the hearings in this matter and by the caliber of their statements and presentations. They showed that considerable thought has been given to the dilemma faced by small communities who have been affected by the Deregulation Act. From the information received, the Commission cannot help but be concerned with the level of air service to rural areas and small communities in California. The two major business centers in California, San Francisco and Los Angeles, are

widely separated. The state's governmental center is in Sacramento. The state's major industry is agriculture. This means that most of the income for the State of California is generated by people living in diversified areas a long way from major business and governmental centers. The Deregulation Act was intended to improve air travel; unfortunately, it appears to have produced mixed results in California.

The record herein indicates that many aspects of the Deregulation Act should be reconsidered either by changing the Act or by revising administrative interpretation of the Act. For example, the setting of minimum essential air service levels based on historical service does not reflect the actual needs of a community, nor does a single rigid national standard formula. It is more logical to consider the demographic and business factors of a community in determining the air service needed. There seems little doubt that 90 days is too short a period for a community to find replacement air service for a CAB carrier about to pull out. Under the Act it appears that many carriers are attempting to serve the most lucrative markets. Such an exercise of market competition does not necessarily serve the needs of the public. We are convinced by this record that a better way must be found to foster competition in the airline industry and yet provide some stability of service to the public.

In this proceeding consideration of all the issues set forth in the order instituting investigation and the memorandum of prehearing conference were not possible because of the time constraints involved in forwarding the Commission's recommendations to Caltrans in time for Caltrans to make a meaningful presentation so that the CAB would have its determination made by the statutory date of October 24, 1979.

Section 419(a)(4) of the Federal Aviation Act, as amended, provides, in part, as follows:

"Whenever the Board determines that essential air transportation will not be provided to any point without compensation...the Board shall provide notice that applications may be submitted by any air carrier which is willing to provide essential air transportation to such points for compensation under this subsection. In selecting an applicant to provide essential air transportation to such points for compensation the Board shall, among other factors, specifically consider...the desirability of developing an integrated linear system of air transportation whenever such a system most adequately meets the air transportation needs of the communities involved..." (Emphasis added.)

California enjoyed a convenient air network under the regulatory scheme in effect prior to the Deregulation Act. It served intermediate points properly, as well as designated hubs. It has been recommended



that a statewide network of air service be maintained between the intermediate points as well as between intermediate points and the designated hubs. Since it would be impossible to develop a recommended statewide network between intermediate points within the time frame available for the recommendation of essential air service, a statewide network is not being included in the recommendations in this decision.

Findings of Fact

1. Pursuant to the Deregulation Act of 1978 the CAB is required to determine essential air service for 24 California cities by October 24, 1979.

2. California should make a concerted effort to assure that the interests of California communities and the state, in general, concerning air service needs are fully developed and presented to the CAB.

3. Governor Brown has designated Caltrans as the agency to represent the state before the CAB on matters relating to essential air service.

4. By agreement with Caltrans, the purpose of this proceeding is the development of information upon which the Commission can make recommendations to Caltrans for its presentations to the CAB.

5. Minimum essential air service levels, based on historical levels of service, do not necessarily reflect the actual needs of a community.

6. A single, rigid, national standard formula for determining essential air service needs for all communities is inappropriate.

7. The demographic and business factors of a community should be one of the bases for determining minimum essential air service.

8. A large airport can dictate the scheduled times of a small airport by regulating available landing time and airport space.

9. Ninety days is too short a period for communities to obtain suitable replacement air service in the event of a pull out by a CAB certificated carrier.

10. All California agencies and communities should unite in an effort to persuade Congress that air service deregulation should be amended to prevent the gross disruptions of air service experienced by many small communities.

11. Essential air service for communities should be reassessed and adjusted as required by the CAB on a yearly basis.

12. Small communities are experiencing difficulty maintaining pre-Deregulation Act service levels because carriers seem to be chasing more lucrative markets.

13. Even when there is adequate air service to a community, there is difficulty in making contact with airlines to make reservations.

14. The minimum essential air service levels shown in Appendix A should be adopted as the Commission's recommendations to Caltrans for presentation to the CAB. Actual aircraft used may be varied as to seating capacity provided that the number of flights is adjusted to provide the recommended number of seats.

The Commission concludes that its recommendations for essential air service levels shown in Appendix A are appropriate and should be forwarded to Caltrans together with the record of this proceeding.

The effective date of this order should be the date hereof because Caltrans is operating under strict deadlines in readying its recommendations to the CAB.

IT IS ORDERED that <sup>(1)</sup>the Executive Director forward a copy of this decision to the Director, California Department of Transportation, together with a copy of transcript Volumes 1 through 9 and the exhibits listed in Appendix C.

*(2) The investigation in OII 48 is closed* *afef*  
The effective date of this order is the date hereof.

Dated AUG 28 1979, at San Francisco, California.

*John E. Bryan*  
\_\_\_\_\_  
President  
*Richard D. ...*  
\_\_\_\_\_  
*Francis ...*  
\_\_\_\_\_  
Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR  
BAKERSFIELD

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- 1) CAB Recommendation: CAB Docket Nos. 34148, 34812      Order No. 79 - 6 - 36  
Two nonstop round trips daily and at least 60 seats per day in each direction or a total of 120 seats daily, 60 seats of the 120-seat daily total be provided in the morning and another 60 seats in the afternoon. All equipment must be at least twin-engine (with or without pressurization), operated with a pilot and a copilot and meeting all FAA requirements.
- 2) Commission Staff Recommendation:  
Five daily round trips to Los Angeles, 100-seat aircraft.  
Three daily round trips to San Francisco, 100-seat aircraft.  
Two daily round trips to Sacramento, small aircraft - 30 seats.  
A total of 1,720 seats per day at Bakersfield.
- 3) Public Witness' Recommendation:  
San Francisco: Two daily nonstop round trips, B-737 (100-seat aircraft).  
One daily one-stop round trip, B-737 (100-seat aircraft).  
Los Angeles: Four daily nonstop round trips, B-737 (100-seat aircraft).  
Also recommended:  
San Francisco: 560 seats, (280 in each direction).  
Los Angeles: 840 seats, (420 in each direction).  
A total of 1,400 seats.
- 4) Commission Recommendation:  
Five daily round trips to Los Angeles, 100-seat aircraft.  
Three daily round trips to San Francisco, 100-seat aircraft.  
Two daily round trips to Sacramento, small aircraft - 30 seats.  
A total of 1,720 seats per day at Bakersfield.

O.I.I. 48ESSENTIAL AIR SERVICE FORBISHOP

## 1) CAB Recommendation:

Bishop is not eligible for the essential air service program at this time, because Bishop has never had a CAB certificated carrier.

## 2) Commission Staff Recommendation:

160 seats per day on at least two round trips per day by pressurized aircraft between Los Angeles and Bishop, including service to Mammoth Lakes.

80 seats per day on at least two round trips per day by pressurized aircraft between Fresno and Bishop, including service to Mammoth Lakes.

## 3) Public Witness' Recommendation:

No quantitative recommendations.

Additional service is desired to Bakersfield, Sacramento, San Francisco and Reno.

## 4) Commission Recommendation:

160 seats per day on at least two round trips per day by pressurized aircraft between Los Angeles and Bishop, including service to Mammoth Lakes.

80 seats per day on at least two round trips per day by pressurized aircraft between Fresno and Bishop, including service to Mammoth Lakes.

A survey of additional air service needs at Bishop should be conducted to determine levels of service to other points, especially San Francisco and Sacramento.

O.I.I. 48ESSENTIAL AIR SERVICE FORBLYTHE

## 1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

## 2) Commission Staff Recommendation:

(a) Two round trips per day between Blythe and Phoenix.

(b) Two round trips per day between Blythe and Los Angeles via El Centro/  
Imperial (which is included in El Centro recommendation).

A total of 152 seats per day at Blythe in both markets.

## 3) Public Witness' Recommendation:

City of Blythe questionnaire to CAB, copy received July 20, 1979, by  
the Commission, recommends the following:

(a) Two round trips per day between Blythe and Phoenix.

(b) Two round trips per day between Blythe and Los Angeles.

## 4) Commission Recommendation:

(a) Two round trips per day between Blythe and Phoenix.

(b) Two round trips per day between Blythe and Los Angeles via El Centro/  
Imperial.

A total of 152 seats per day at Blythe in both markets.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR

BURBANK

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1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

2) Commission Staff Recommendation:

No staff recommendation because there are more than two CAB certificated carriers serving Burbank at the present time.

3) Public Witness' Recommendation:

None

4) Commission Recommendation:

No Commission recommendation at this time for reason stated above in item 2.

O.I.I. 48ESSENTIAL AIR SERVICE FORCHICO

- 1) CAB Recommendation: CAB Docket No. 34831 Order No. 79 - 5 - 139.  
Forty-five round trips per week by 10-seat aircraft, 17 round trips per week by 20-seat aircraft, and one round trip per week by 6-seat aircraft between Chico and San Francisco.
  
- 2) Commission Staff Recommendation:  
Three round trips per day using 100 seat or more jet aircraft between Chico and San Francisco.  
One round trip per day with 100-seat or more jet aircraft between Chico and Redding.  
A total of 800 seats per day at Chico.
  
- 3) Chico's Recommendation:  
Forty-five round trips per week by 10-seat aircraft, 17 roundtrips per week by 20-seat aircraft, and one round trip per week by 6-seat aircraft between Chico and San Francisco.
  
- 4) Commission Recommendation:  
Three round trips per day using 100 seat or more jet aircraft between Chico and San Francisco.  
One round trip per day with 100-seat or more jet aircraft between Chico and Redding.  
A total of 800 seats per day at Chico.



O.I.I. 48ESSENTIAL AIR SERVICE FORCRESCENT CITY

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## 1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

## 2) Commission Staff Recommendation:

Two round trips per day (30 seats minimum in each direction) between Eureka/Arcata and Portland via Crescent City, using an aircraft of 15-20 seats minimum capacity, for a total of 120 seats at Crescent City.

## 3) Public Witness' Recommendation:

County of Del Norte survey report to CAB, dated July 11, 1979, copy to the Commission, recommends the following:

Three round trips to Portland.

Three round trips to San Francisco.

Two round trips to Eureka and North Bend.

A total of 180 seats at Crescent City per day.

## 4) Commission Recommendation:

Two round trips per day (30 seats minimum in each direction) between Eureka/Arcata and Portland via Crescent City, using an aircraft of 15-20 seats minimum capacity, for a total of 120 seats at Crescent City.

O.I.I. 48ESSENTIAL AIR SERVICE FOREL CENTRO

## 1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

## 2) Commission Staff Recommendation:

- (a) Six round trips per day (100 seats min. in each direction) between El Centro/Imperial and Los Angeles, using air-conditioned aircraft of 15-20 seat minimum capacity.
- (b) Four round trips per day (28 seats min. in each direction) between El Centro/Imperial and San Diego, using air-conditioned aircraft of 7 seat minimum capacity.
- (c) Two round trips per day (38 seats min. between El Centro/Imperial and Blythe via Blythe), using air-conditioned aircraft of 15-20 seat minimum capacity.  
A total of 332 seats at El Centro per day.

## 3) Public Witness' Recommendation:

- (a) Seven round trips per day (140 seats min. in each direction) between El Centro/Imperial and Los Angeles, using aircraft of 15-20 seat capacity.
- (b) Five round trips per day (100 seats min. in each direction) between El Centro/Imperial and San Diego, using aircraft of 15-20 seat capacity.
- (c) Two round trips per day (40 seats min. in each direction) between El Centro/Imperial and Phoenix, using aircraft of 15-20 seat capacity.

## 4) Commission Recommendation:

- (a) Six round trips per day (100 seats min. in each direction) between El Centro/Imperial and Los Angeles, using air-conditioned aircraft of 15-20 seat minimum capacity.
- (b) Four round trips per day (28 seats min. in each direction) between El Centro/Imperial and San Diego, using air-conditioned aircraft of 7 seat minimum capacity.
- (c) Two round trips per day (38 seats min. between El Centro/Imperial and Phoenix via Blythe), using air-conditioned aircraft of 15-20 seat minimum capacity.  
A total of 332 seats at El Centro per day.

O.I.I. 48ESSENTIAL AIR SERVICE FOR  
EUREKA/ARCATA

## 1) CAB Recommendation:

No CAB recommendations filed with the Commission at this time.

## 2) Commission Staff Recommendation:

- (a) An average of three and a half round trips per day between Eureka/Arcata - San Francisco (336 seats minimum in each direction) using jet aircraft.
- (b) Two round trips per day (30 seats minimum in each direction) between Eureka/Arcata and Portland via Crescent City using an aircraft of 15-20 seat minimum capacity.
- (c) Two round trips per day (30 seats minimum in each direction) between Eureka/Arcata and Sacramento via Redding.  
A total of 792 seats per day at Eureka.

## 3) Public Witness' Recommendation:

It was recommended that four round trips per day be provided between Eureka/Arcata-San Francisco to prevent passengers being turned away due to high load factors (exceeding 80%) and to provide needed additional cargo space for perishables.

## 4) Commission Recommendation:

- (a) Four round trips per day (384 seats minimum in each direction) between Eureka/Arcata and San Francisco using jet aircraft.
- (b) Two round trips per day between Eureka/Arcata and Portland via Crescent City using an aircraft of 15-20 seat minimum capacity.
- (c) Two round trips per day between Eureka/Arcata and Sacramento via Redding using an aircraft of 15-20 seat minimum capacity.  
A total of 888 seats per day at Eureka.

O.I.I. 48ESSENTIAL AIR SERVICE FORMERCED

- 1) CAB Recommendation: CAB Docket No. 34793 Order No. 79 - 6 - 35.  
Two well-timed round trips per day to San Francisco.  
Two well-timed round trips per day to Los Angeles; and min. capacity between Merced and both San Francisco and Los Angeles of 60 seats per day outbound and 60 seats inbound (120 seats each day altogether); and all service shall be provided with at least twin-engine aircraft operated a pilot and a copilot and meeting all FAA requirements.
- 2) Commission Staff Recommendation:  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Merced and San Francisco.  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Merced and Los Angeles.  
A total of 520 seats per day at Merced.
- 3) Public Witness' Recommendation:  
None.
- 4) Commission Recommendation:  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Merced and San Francisco.  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Merced and Los Angeles.  
A total of 520 seats per day at Merced.

O.I.I. 48ESSENTIAL AIR SERVICE FORMODESTO

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## 1) CAB Recommendation:

No CAB recommendations filed with the Commission at this time.

## 2) Commission Staff Recommendation:

Four round trips per day with 50-seat minimum aircraft to 10 round trips per day with 20-seat aircraft for a total of 400 seats per day between Modesto and San Francisco.

Two round trips per day with 100-seat minimum jet aircraft between Modesto and Los Angeles for a total of 400 seats per day.

A total of 800 seats per day at Modesto.

## 3) Public Witness' Recommendation:

Six round trips daily with 50-seat minimum aircraft between Modesto and San Francisco.

Four round trips daily with 50-seat minimum aircraft between Modesto and Los Angeles.

## 4) Commission Recommendation:

Four round trips per day with 50-seat minimum aircraft between Modesto and San Francisco.

Four round trips per day with 50-seat minimum aircraft between Modesto and Los Angeles.

A total of 800 seats per day at Modesto.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR

OXNARD/VENTURA

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1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

2) Commission Staff Recommendation:

Fourteen round trips per day by 18-to-30-passenger aircraft between Oxnard and Los Angeles, for a total of 500 seats per day at Oxnard.

3) Public Witness' Recommendation:

No quantitative recommendations.

4) Commission Recommendation:

Fourteen round trips per day by 18-to-30-passenger aircraft between Oxnard and Los Angeles, for a minimum of 500 seats per day at Oxnard.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR

ORANGE COUNTY/SANTA ANA/ANAHEIM

1) CAB Recommendation:

No CAB recommendations filed with the Commission at this time.

2) Commission Staff Recommendation:

No staff recommendation because there are two CAB certificated carriers serving Orange County Airport at the present time.

3) Public Witness' Recommendation:

None

4) Commission Recommendation:

No Commission recommendation at this time for reason stated above in Item 2.

O.I.I. 48ESSENTIAL AIR SERVICE FOR  
PALMDALE/LANCASTER

- 1) CAB Recommendation: CAB Docket No. 35436 Order No. 76 - 6 - 131  
Four weekday round trips to Los Angeles, with reduced service on weekends;  
two and one half weekday round trips to Inyokern with reduced weekend  
service and one weekday round trip to Edwards.
  
- 2) Commission Staff Recommendation:  
Four round trips per day between Palmdale and Los Angeles with aircraft  
of approximate 18-seat capacity, for a total of 144 seats per day at  
Palmdale.
  
- 3) Public Witness' Recommendation:  
  
None.
  
- 4) Commission Recommendation:  
Four round trips per day between Palmdale and Los Angeles with aircraft  
of approximate 18-seat capacity, for a total of 144 seats per day at  
Palmdale.



O.I.I. 48ESSENTIAL AIR SERVICE FORRED BLUFF/REDDING

## 1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

## 2) Commission Staff Recommendation:

Three round trips per day using aircraft of 100 or more seats between Redding and San Francisco. One of these three flights would be via Chico.

One round trip per day using aircraft of 100 or more seats between Redding and Sacramento. A total of 800 seats at Redding per day.

## 3) Public Witness' Recommendation:

No quantitative recommendations.

## 4) Commission Recommendation:

Three round trips per day using aircraft of 100 or more seats between Redding and San Francisco. One of these three flights would be via Chico.

One round trip per day using aircraft of 100 or more seats between Redding and Sacramento.

One round trip per day using aircraft of 100 or more seats between Redding and Portland or Seattle. A total of 1,000 seats at Redding per day.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR

SALINAS/MONTEREY

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1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

2) Commission Staff Recommendation:

Seven round trips per day between Monterey and San Francisco and seven round trips per day between Monterey and Los Angeles using 103-seat jet aircraft. A total of 2,884 seats per day at Monterey

3) Public Witness' Recommendation:

None.

4) Commission Recommendation:

Seven round trips per day between Monterey and San Francisco and seven round trips per day between Monterey and Los Angeles using jet aircraft of 100 or more seats each. A total of 2,800 seats per day at Monterey.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR  
SANTA BARBARA

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1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

2) Commission Staff Recommendation:

Five round trips with 100-seat jet aircraft and six round trips with aircraft of approximately 20-seat capacity between Santa Barbara and San Francisco, and five round trips with 100-seat jet aircraft and six round trips with aircraft of approximately 20-seat capacity. A total of 2,480 seats per day at Santa Barbara.

3) Public Witness' Recommendation:

None.

4) Commission Recommendation:

Five round trips with 100-seat jet aircraft and six round trips with aircraft of approximately 20-seat capacity between Santa Barbara and San Francisco, and five round trips with 100-seat jet aircraft and six round trips with aircraft of approximately 20-seat capacity. A total of 2,480 seats per day for Santa Barbara.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR

SANTA MARIA

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1) CAB Recommendation:

CAB Docket No. 33752, Order No. 79-4-180.

Ten and one half round trips per day.

2) Commission Staff Recommendation:

Ten and one half round trips per day between Santa Maria and Los Angeles in aircraft of approximately 20-seat capacity and also ten and one half round trips per day between Santa Maria and San Francisco in aircraft of approximately 20-seat capacity. A total of 840 seats per day at Santa Maria.

3) Public Witness' Recommendation:

None.

4) Commission Recommendation:

Ten and one half round trips per day between Santa Maria and Los Angeles in aircraft of approximately 20-seat capacity and also ten and one half round trips per day between Santa Maria and San Francisco in aircraft of approximately 20-seat capacity. A total of 840 seats per day at Santa Maria.

O.I.I. 48

ESSENTIAL AIR SERVICE FOR

SANTA ROSA

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1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

2) Commission Staff Recommendation:

Eight round trips per day between Santa Rosa and San Francisco in aircraft of 9-seat capacity. A total of 144 seats per day at Santa Rosa.

3) Public Witness' Recommendation:

None.

4) Commission Recommendation:

Eight round trips per day between Santa Rosa and San Francisco in aircraft of 9-seat capacity. A total of 144 seats per day at Santa Rosa.

O.I.I. 48ESSENTIAL AIR SERVICE FORSTOCKTON

## 1) CAB Recommendation:

No CAB recommendation filed with the Commission at this time.

## 2) Commission Staff Recommendation:

Three round trips per day between Stockton and San Francisco using a jet aircraft of 100 or more seats.

Three round trips per day between Stockton and Los Angeles using a jet aircraft of 100 or more seats.

A total of at least 1,200 seats per day at Stockton.

## 3) Public Witness' Recommendation:

No quantitative recommendations.

## 4) Commission Recommendation:

Three round trips per day between Stockton and San Francisco using a jet aircraft of 100 or more seats.

Three round trips per day between Stockton and Los Angeles using a jet aircraft of 100 or more seats.

A total of at least 1,200 seats per day at Stockton.

O.I.I. 48ESSENTIAL AIR SERVICE FORVISALIA

- 1) CAB Recommendation: CAB Docket No. 34793 Order No. 79 - 6 - 35  
Two well-timed round trips per day to San Francisco.  
Two well-timed round trips per day to Los Angeles; min. capacity between Visalia and both San Francisco and Los Angeles of 60 seats per day outbound and 60 seats inbound (120 seats each day altogether); and all service shall be provided with at least twin-engine aircraft operated with a pilot and a copilot and meeting all FAA requirements.
- 2) Commission Staff Recommendation:  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Visalia and San Francisco.  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Visalia and Los Angeles; total 520 seats per day at Visalia.
- 3) Public Witness' Recommendation:  
  
None.
- 4) Commission Recommendation:  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Visalia and San Francisco.  
One round trip per day using jet aircraft of 100 or more seats each, and one or two round trips per day using a 30 or 15-seat aircraft between Visalia and Los Angeles; total 520 seats per day at Visalia.

## APPENDIX B

HEARING LOCATIONS AND DATES  
AND POINTS TO BE COVERED IN HEARINGS

<u>Hearing Location</u>	<u>Date</u>	<u>Category I Points</u>	<u>Category II Points</u>
Stockton	7/5/79	Merced, Modesto, Stockton	Sacramento Lake Tahoe
San Francisco	7/6/79	Monterey, Salinas, Santa Rosa	Oakland, San Francisco, San Jose Berkeley, Corte Madera, Lafayette, Orinda, Palo Alto, San Rafael, Sunnyvale, Walnut Creek
Bakersfield	7/23/79	Bakersfield, Visalia	Fresno Apple Valley, Inyokern
Redding	7/25/79	Chico, Red Bluff, Redding	Marysville, Yuba City
Eureka	7/27/79	Arcata, Crescent City, Eureka	
Santa Barbara	7/30/79	Oxnard, Santa Barbara, Santa Maria, Ventura	Paso Robles, San Luis Obispo
Los Angeles	7/31/79 8/1/79	Burbank, Lancaster, Orange County, Palmdale	Long Beach, Los Angeles, Ontario, Riverside, San Bernardino, San Diego Alhambra, Anaheim, Azusa, Glendale, Maywood, Monrovia, North Hollywood, Pomona, San Fernando, Thousand Oaks, Van Nuys, West Covina, West San Fernando Valley, Whittier
Imperial	8/2/79	Blythe, El Centro	Indio, Palm Springs
Bishop	8/9/79		

Note: Category I includes those points in California which on enactment of the Deregulation Act were authorized such service but such service was suspended.

\* The points in this column were served by not more than one air carrier certified by the CAB at enactment of the Deregulation Act and, therefore, the CAB must determine what is the essential air service for such points.

Category II includes those points in California which have been deleted from a CAB certificate since July 1, 1968. The CAB may designate any of these points as additional eligible points for which it must determine what is essential air transportation.



APPENDIX C  
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EXHIBITS RECEIVED IN EVIDENCE IN OII 48  
AT HEARINGS HELD FROM  
JULY 5, 1979 THROUGH AUGUST 9, 1979

<u>Exhibit No.</u>	<u>Description Of Exhibit</u>	<u>Witness</u>
1	Comments of the Commission to the CAB in Docket No. 34650, Guidelines for Individual Determinations of Essential Air Transportation.	Weismehl*
2	Comments of the Commission to the CAB in Dockets Nos. 33750, 33751, and 33753 on essential air transportation requirements of Stockton, Santa Barbara, and Monterey/Salinas.	Panella
3	Comments of the Commission to the CAB in Dockets Nos. 34118, 34120, and 34793 concerning notice of United Airlines to terminate service at Merced and Visalia and interim essential air transportation at Merced and Visalia.	Panella
4	Essential air service to Modesto.	Panella
5	Essential air service at Santa Rosa.	Sepaspour
6	Prepared testimony of Donald C. Flynn, Manager of Airports, County of Contra Costa.	Flynn
7	Comments of the Commission to the CAB in Docket No. 34148 on essential air transportation at Bakersfield.	Brozosky
8	Transcript of proceedings before the CAB in the matter of meeting with Bakersfield/Kern County regarding community air service needs. (May 10, 1979.)	Eaton

\*Exhibits introduced by staff counsel.

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<u>Exhibit No.</u>	<u>Description Of Exhibit</u>	<u>Witness</u>
9	Petition to the CAB by County of Kern and the City of Bakersfield concerning maintenance of adequate essential air transportation.	Eaton
10	A sheaf of letters from various parties to the CAB concerning essential air transportation in Kern County.	Eaton
11	An economic analysis of the Bakersfield air traffic picture submitted to the CAB. (May 10, 1979.)	Eaton
12	History of air service in the Bakersfield/San Francisco market from July 3, 1979 to July 17, 1979.	Eaton
13	Statement of the Searles Valley Community Service Council.	Bray
14	Proposal of Stateway Airline, Inc. in Docket No. 34793 to the CAB on interim essential air transportation at Merced and Visalia.	Klein
15	Letter from the City of Dos Palos.	Weismehl
16	Staff exhibit submitted at Redding, California, July 25, 1979.	Juul
17	Sheaf of letters concerning air service at Redding.	Kirkpatrick
18	Letter from KMS Research Laboratories, Inc.	Weismehl
19	Letter and data from CH2M Hill dated July 25, 1979.	Hill

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<u>Exhibit No.</u>	<u>Description Of Exhibit</u>	<u>Witness</u>
20	Letter from the City of Redding to the CAB dated June 21, 1979 with comments on proposed guidelines for determination of essential air service.	Weismehl
21	Letter from the City of Redding to the CAB dated July 6, 1979 relative to essential air service survey.	Weismehl
22	Letter to the Commission from Hertz Rent-A-Car at Redding Airport.	Weismehl
23	Staff exhibit entered at Eureka on July 27, 1979.	Nettles
24	Comments of the Commission to the CAB in Docket No. 37832 on essential air transportation at Crescent City.	Nettles
25	Letter to Mr. John Gromala from Edward R. Beauvais concerning Hughes Air West financial results, Eureka/San Francisco segment.	Gromala
26	Essential air service survey by Humboldt County presented to the CAB.	Clabaugh
27	Air travelers survey by Humboldt County.	Clabaugh
28	Staff exhibit on essential air service at Oxnard.	Brozosky
29	Petition of the Commission in Docket No. 33752 concerning Hughes Air West's intention to terminate service to Santa Maria.	Brozosky

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<u>Exhibit No.</u>	<u>Description Of Exhibit</u>	<u>Witness</u>
30	Statistical data, Santa Maria and Santa Barbara Counties.	Brozosky
31	Travel times for San Luis and Santa Maria to various airports.	Brozosky
32	Comments of the California Department of Transportation in Docket No. 35464 to the CAB on Part 325 and Part 385 of the Deregulation Act.	Weismehl
33	Comments of Caltrans in Docket No. 34650 to the CAB concerning Part 398 of the Deregulation Act.	Weismehl
34	Comments of the State of Oregon in Docket No. 35464 to the CAB concerning Part 325 and Part 385.	Weismehl
35	Comments of the State of Oregon in Docket No. 34650 to the CAB concerning Part 398.	Weismehl
36	Comments of the State of Illinois to the CAB concerning proposed adoption of Parts 325, 385, and 398 of the procedural regulations and the organizational regulations of the CAB.	Weismehl
37	Presentation of the City of Santa Barbara to the Commission on July 30, 1979 by the City Administrator.	Murphy
38	Letter to the CAB concerning determination of essential air service to communities from the airport manager of Santa Barbara.	Weismehl

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<u>Exhibit No.</u>	<u>Description Of Exhibit</u>	<u>Witness</u>
39	Memorandum from the County of Ventura concerning commercial aviation demand, Ventura County.	Weismehl
40	Supplement to July 5, 1979 staff report on essential air service to Modesto.	Bouchet
41	Essential air service at Palmdale/Lancaster.	Sepaspour
42	Impact of aircraft operations at Long Beach Airport on Long Beach Schools.	Huebner
43	Review of aircraft noise impact on Long Beach Schools.	Huebner
44	Preliminary aircraft noise study for California State University, Long Beach.	Weismehl
45	Staff report on essential air service presented at Imperial, August 2, 1979.	Nettles
46	Essential air service for Bishop.	Juul
47	Statement of Lloyd L. Anderson.	Weismehl
48	Letter from Robert L. Rice.	Weismehl
49	Letter from Mr. & Mrs. Kizer.	Weismehl
50	Estimates of airline usage.	Morrison
51	Statement of position and tabulation of a special survey.	Abbott
52	Letter.	Endfield
53	Letter from Senator Stiern.	Kinney

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<u>Exhibit No.</u>	<u>Description Of Exhibit</u>	<u>Witness</u>
54	Letter from Lovett.	Kinney
55	Letter from Farlander.	Farlander
56	Letter from Holgate.	Hardebeck
57	Letter from Nichols.	Hardebeck
58	Second letter from Nichols.	Hardebeck
59	Letter.	Hardebeck
60	Letter.	Ford
61	Letter.	Philbrick
62	Letter.	James
63	Letter.	Tilston
64	Caltrans report, Bishop.	Weismehl
65	Supervisors agenda.	Irwin
66	Letter from John K. Smith.	Irwin
67	Mono County Aviation plan.	Stanford

## APPENDIX D

LIST OF APPEARANCES

Interested Parties: John Griffith, for United Airlines; Tom W. Hart, for County of Yuba; Michael M. Murphy, for Hughes Air Corporation, dba Hughes Air West; John E. Nolan, Attorney at Law, for Port of Oakland; Matthew Reese, Attorney at Law, and Stephen P. Schmitt, for Kern County Department of Airports and Kern County Counsel; Perry H. Taft, Attorney at Law, for City of Stockton, County of San Joaquin; Owen A. Weddle, for Caltrans; Daniel B. Pavao, for County of Imperial; Ted R. Heubner, Attorney at Law, for the Long Beach Unified School District; Murray A. Bywater, for the City of Riverside; Jon H. Regnier, for California State University, Long Beach; John McManus, for himself; Duane A. Gouze, Attorney at Law, for Paso Robles Municipal Airport; Patrick R. Murphy, for the City of Santa Barbara; Ronald S. Clabaugh and John L. Cook, Attorney at Law, for County of Humboldt; James McArthur, for Louisiana-Pacific Corporation; Dave Zebo, for Eureka Chamber of Commerce, City of Trinidad; Jack Owen, for Eureka Chamber of Commerce; John A. Gromala, Attorney at Law, and Herman Bistrin, for Fair Air; Howard D. Kirkpatrick, for City of Redding; H. C. Woodrum and J. W. McCall, for Airports Department, City of Redding; Richard W. Curry, for Shasta County; Harry Doughty, for himself; Doris Bray, Attorney at Law, for Searles Valley Community Services Council; Alfred F. Eaton and Stephen P. Schmitt, for Kern County Department of Airports; Matthew Dee Rees, for the County of Kern; John T. Smith, for Civil Aeronautics Board; Randall D. Berg, for El Dorado County, (Lake Tahoe); Joseph M. Good and Robert L. Stanley, for Modesto Chamber of Commerce; Richard C. Smith, for City of Modesto; Donald Klein, for Stateway Airline, Inc.; and Ralph C. Tonseth, for Stockton Metropolitan Airport, County of San Joaquin.

Commission Staff: Philip Scott Weismehl, Attorney at Law.