

Decision No. 69686

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of Pacific Southwest Airlines)	Application No. 47828
for a Certificate of Public Con-)	(Filed August 19, 1965)
venience and Necessity.)	(Amended August 31, 1965)

INTERIM OPINION AND ORDER

By this application, Pacific Southwest Airlines requests a certificate of public convenience and necessity as a passenger air carrier between San Diego, Los Angeles, Burbank, San Francisco and Oakland pursuant to Section 2752, Chapter 4, Part 2, Division 1 of the Public Utilities Code.¹ Applicant also requests a temporary certificate of public convenience and necessity pending action on this application as provided by Section 2756 of the Code.

In justification for the certificate sought, applicant asserts that it has been in the business of operating as an intra-state air carrier carrying passengers for hire between fixed points within the State of California since 1949. Applicant states that it has been a passenger air carrier actually operating in good faith and doing business between the airports of San Diego, Los Angeles International Airport, Burbank and San Francisco International Airport as of January 1, 1965, and prior and subsequent thereto. Since January

¹ Chapter 4, Part 2, Division 1 of the Public Utilities Code; comprising Sections 2740 through 2744 and Sections 2750 through 2765, was enacted as Assembly Bill 413, by the 1965 Legislature and becomes effective September 17, 1965.

5, 1965, it has been furnishing air carrier service between the airport of Oakland and Los Angeles International Airport.²

Applicant further states that its operations as an air carrier include a fleet of six Lockheed Electra Turbo Jet Aircraft and five Boeing 727 Jet Aircraft, which it will continue to use over the present routes now being served. According to applicant the routes proposed in this application will be the same as those now being served. Applicant proposes to maintain and continue its present rates as set forth in its tariffs now on file with this Commission.³

Applicant alleges that it has been furnishing adequate service to the communities involved and that the need for such service is continuing. It further alleges that it is in the public interest, and public convenience and necessity require continuation of its present service. Attached to the application is a balance sheet for years ending December 31, 1964 and December 31, 1963. It shows that at the end of 1964 applicant had assets in excess of \$18,000,000.00 including retained earnings of over \$7,000,000.00.

² Tariffs of applicant on file with the Commission show that applicant provided service between various points from time to time including service between Oakland

and
Los Angeles from May 3, 1949, to March 28, 1951, and
from October 7, 1960, to August 20, 1962,

Burbank from May 3, 1949, to April 8, 1954, and
from December 12, 1960, to August 20, 1962,

San Diego from May 3, 1949, to August 8, 1954, and
from October 7, 1960, to August 20, 1962,

San Francisco from May 3, 1949, to March 28, 1951, and
from July 13, 1951, to April 8, 1954.

³ The tariffs are Pacific Southwest Airlines California Intrastate Local Passenger Tariff No. 1, Cal.P.U.C. No. 1, and California Intrastate Joint Passenger Tariff, Cal.P.U.C. No. 3.

Applicant states in its amended application that all of its aircraft are certified as to airworthiness by the Federal Aviation Agency and that its aircraft are regularly inspected by the federal agency. It also states that its pilots and flight engineers are fully licensed and certified by the Federal Aviation Agency to fly the aircraft applicant operates.

On May 18, 1964, applicant filed and has continued in effect insurance protection against liability for bodily injuries and for property damages, pursuant to Section 5503 of the Public Utilities Code and the Commission's General Orders Nos. 120 and 120-A.

Official notice is taken of applicant's report furnished this Commission which shows the following numbers of passengers transported during the periods indicated:

12 months ending with:

December 31, 1961 - 697,712 passengers

December 31, 1962 - 1,029,969 passengers

December 31, 1963 - 1,304,660 passengers

September 30, 1964 - 1,519,300 passengers

According to currently effective timetables applicant operates 78 scheduled passenger flights daily Mondays through Thursdays, 100 scheduled flights on Fridays, 68 on Saturdays and 102 on Sundays.

The certificate of service shows that this application, and amendment were served upon various competing air carriers. The application and the amendment were listed on the Commission's Daily Calendar of August 20, 1965, and September 1, 1965, respectively. No objections to the granting of this application have been received.

The Commission finds that public convenience and necessity require that applicant be granted a temporary certificate of public convenience and necessity to operate as a passenger air carrier as set forth in the ensuing order. We conclude that a temporary certificate of public convenience and necessity should be granted to Pacific Southwest Airlines to operate as a passenger air carrier between the points of San Diego, Los Angeles, Burbank, San Francisco and Oakland, pending further action on the request for a permanent certificate.

Pacific Southwest Airlines is hereby placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

IT IS ORDERED that:

1. A temporary certificate of public convenience and necessity is granted to Pacific Southwest Airlines, authorizing it to operate as a passenger air carrier, as defined in Section 2741 of the Public Utilities Code, between the points and over the routes more particularly set forth in Appendix A attached hereto and hereby made a part hereof.

2. In providing service pursuant to the temporary certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the temporary certificate herein granted. By acceptance of the temporary certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations, and to comply with and observe the insurance requirements of the Commission's General Order No. 120-A. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 120-A, may result in a cancellation of the operating authority granted by this decision.

3. Within one hundred and twenty days after the effective date hereof, applicant shall amend its tariff and timetables to reflect the authority herein granted. Such filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public and shall comply with the regulations governing the construction and filing of tariffs in the Commission's General Order No. 105-A.

This order shall become effective September 17, 1965.

Dated at Los Angeles, California, this 14th day of
September, 1965.

Frederick B. Holschoff
President
George L. Crow
William W. Bennett
Commissioners

APPENDIX A PACIFIC SOUTHWEST AIRLINES Original Page 1

Pacific Southwest Airlines by the temporary certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport passengers by air in either direction.

1. Between San Diego and Los Angeles, Burbank, San Francisco and Oakland.
2. Between Los Angeles and San Francisco and Oakland.
3. Between Burbank and San Francisco.

Issued by California Public Utilities Commission.
Decision No. 69686, Application No. 47828.