

ORIGINALDecision No. 71393

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC SOUTHWEST)	Application No. 47828
AIRLINES for a certificate of)	Filed August 19, 1965;
public convenience and necessity.)	Amended August 31, 1965

O P I N I O N

By Decision No. 69686 in the above-entitled matter, dated September 14, 1965 and effective September 17, 1965, applicant was granted a temporary certificate of public convenience and necessity as a passenger air carrier to serve the points of San Diego, Los Angeles, Burbank, San Francisco and Oakland. No protests to this application have been filed.

Subsequently on September 27, 1965 applicant filed Application No. 47921 in which it sought certification between the terminal points Los Angeles and San Jose. This latter application was protested, extended hearings were held, briefs were filed, an examiner's proposed report was issued, exceptions and replies to exceptions were filed and on May 3, 1966 the Commission issued Decision No. 70657 granting a permanent certificate to applicant for the San Jose-Los Angeles route. Rehearing was sought by protestant therein and denied by the Commission. Review before the California Supreme Court was thereafter sought and was subsequently denied.

The present application, together with Decision No. 70657 and the adopted report in Application No. 47921, set forth the history, financial stability, business experience, insurance coverage, aircraft, route and scheduling of applicant, and show the ability of applicant to serve economically not only San Jose but the other points on its system as well.

No useful purpose would be served by public hearing in this application. Pursuant to Section 2755 of the Public Utilities Code the Commission will approve the application and issue the certificate prayed for without a hearing. For the purpose of clarity, we will issue a certificate combining and restating the authority granted by Decision No. 70657 with the authority granted herein.

The Commission finds that:

1. Pacific Southwest Airlines possesses the business experience in the field of air operations, the financial stability and the requisite insurance coverage to receive a certificate of public convenience and necessity as a passenger air carrier.
2. Pacific Southwest Airlines can economically serve the points of San Diego, Los Angeles, Burbank, San Francisco and Oakland as a passenger air carrier flying Lockheed Electra aircraft and Boeing 727 aircraft.
3. There presently exists a need for the passenger air carrier service that is being provided by Pacific Southwest Airlines.
4. Public convenience and necessity require the granting of a permanent certificate as a passenger air carrier serving the points of San Diego, Los Angeles, Burbank, San Francisco and Oakland to Pacific Southwest Airlines.

Based upon the foregoing findings of fact the Commission concludes that the application of Pacific Southwest Airlines for a certificate of public convenience and necessity which was heretofore granted on a temporary basis by Decision No. 69686 should be made permanent.

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.

O R D E R

IT IS ORDERED that:

1. A permanent 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, as set forth in Appendix A, attached hereto and hereby made a part hereof.

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

Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the 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. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificates of public convenience and necessity granted by Decisions Nos. 69686 and 70657, which certificates shall be revoked immediately upon the acceptance of the certificate herein granted as required by paragraph 2 hereof.

The effective date of this decision shall be the date hereof.

Dated at San Francisco, California, this 11th day of OCTOBER, 1966.

[Signature]
President
George L. Grover
Frederick B. Holdhoff
William L. Beard

Commissioners

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.

Pacific Southwest Airlines, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport passengers by air in either direction in Lockheed Electra or Boeing 727 aircraft:

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.
4. Between Los Angeles and San Jose.

Issued by California Public Utilities Commission.

Decision No. 71393, Application No. 47828.