

ORIGINAL

Decision No. 76110

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC SOUTHWEST AIRLINES for a certificate of public convenience and necessity, in either direction between San Diego, Long Beach, Long Beach, San Jose/San Francisco/Oakland and San Diego to Sacramento via Long Beach and San Francisco.

Application No. 50261

In the Matter of the Application of AIR CALIFORNIA for a certificate of public convenience and necessity to provide passenger air service between Long Beach, on the one hand, and San Jose and Oakland, on the other hand.

Application No. 50361

In the Matter of the Application of PACIFIC AIR TRANSPORT, INC., for a certificate of public convenience and necessity to provide passenger air service between Long Beach, San Jose, Oakland and San Francisco.

Application No. 50438

McInnis, Fitzgerald & Wilkey, by John W. McInnis, for Pacific Southwest Airlines, applicant.
Gates, Talbot, Morris & Merrell, by J. Thomas Talbot, for Air California, applicant.
Ginsburg and Kohn, by Roland E. Ginsburg, for Pacific Air Transport, applicant.
Richard T. Powers, for Western Airlines; and R. E. Costello, for Air West, protestants.
Leslie Still, for the City of Long Beach; H. G. Manawalt, for the Long Beach Chamber of Commerce; and Joseph M. McLaughlin, for Long Beach Jet Control Association, interested parties.
William C. Bricca, Counsel, for the Commission staff.

O P I N I O N

The three applicants in these consolidated proceedings seek authority to operate as passenger air carriers between the following points:

A. Pacific Southwest Airlines (PSA):

1. San Diego and Long Beach.
2. Long Beach and San Francisco/Oakland/San Jose.
3. San Diego to Sacramento via Long Beach and San Francisco.
4. San Francisco and Sacramento.

B. Air California (Air Cal):

1. San Diego and Long Beach.
2. San Diego and San Jose/Oakland.
3. Long Beach and San Jose/Oakland.

C. Pacific Air Transport (PAT):

1. Long Beach and San Francisco/Oakland/San Jose.

PSA, Air Cal and PAT each filed protests against the applications of the other two applicants. Western Air Lines (Western) protested all three applications, and participated actively at the hearings. Air West protested PSA's application to serve the San Francisco-Sacramento route, but did not participate actively and did not file any briefs or exceptions.

Various homeowners appeared at the hearings and presented statements against additional air service at Long Beach Airport. These homeowners later organized themselves into the Long Beach Jet Control Association (Jet Control), which was granted leave to intervene. Jet Control opposed granting of any of the applications.

The City of Long Beach (Long Beach) and the Long Beach Chamber of Commerce supported all the applicants at the time of the hearings. After completion of the hearings, however, Long Beach changed its position and opposed any new air passenger service at the Long Beach Airport (LGB).

Pursuant to the Commission's Rules of Practice and Procedure, Sections 69-72, the proposed report of Examiner William N. Foley was filed on April 2, 1969. Exceptions to the proposed report were filed on May 13, 1969, by PAT, PSA, Western, Long Beach, and Jet Control. Reply briefs were filed on June 5, 1969 by Air Cal and PAT. Oral argument before the Commission was heard June 26, 1969.

The Commission has considered the evidence of record herein, the various briefs, the proposed report, the exceptions and replies to exceptions, and the contentions presented at oral argument. We adopt the recommendations of the proposed report with the modifications set forth below.

I

Long Beach-Bay Area and San Diego

The proposed report recommended that PSA be authorized to operate between LGB and San Francisco International Airport (SFO); between LGB and Oakland International Airport (OAK); and between LGB and San Diego International Airport (SAN). It recommended that Air Cal be certificated to operate between LGB and San Jose Airport (SJC). These recommendations were based upon findings that serious ground and air traffic congestion exist at Los Angeles International Airport (LAX), which would be relieved to some extent by service from LGB; that the public interest in the development of LGB as a satellite airport to LAX outweighed the private property interest of the homeowners adjacent to LGB; that the reasonable passenger traffic potential justified certification of only one new carrier on each route; and that LGB's facilities were adequate to accommodate the operations which were recommended.

The proposed report also recommended that PAT not be certificated on any route, because it failed to make a satisfactory

showing of adequate financial stability and experience in scheduled air passenger operations. Furthermore, it was shown that PAT failed to present its most important executives at the hearings, and to show that it could economically provide adequate service.

PAT vigorously asserts that it has fully met the requirements for certification. It emphasizes that it has almost two years' experience in air transportation operations under its federal authority. It has revised its management by recently adding two new executives. It has introduced a letter of commitment and a revised cash flow statement to its brief on exceptions which show that PAT will raise an additional \$2.5 million in capital if it receives a certificate. It has announced that it will honor credit cards and offer half fares to children in order to be more competitive with PSA and Air Cal.

In considering these contentions we cannot give any weight to new exhibits introduced after the record has been closed and which have not been subject to cross-examination or rebuttal evidence. The record demonstrates that PAT's projected operating funds would be barely adequate to cover its projected expenses under very optimistic traffic projections, and that its financial condition is unclear and uncertain.

While we recognize that PAT has been operating two propeller driven aircraft as a charter passenger and freight carrier, this experience has limited application to operating scheduled commuter air passenger service with jet aircraft in the highly competitive low-fare commuter passenger market in California. The highly competitive nature of this market is demonstrated by Air Cal's recent filing to reduce its ONT/BUR-OAK/SJC service to two daily round trip flights (See Decision No. 75997, dated August 7, 1969 in

Application No. 50072, Petition to Modify Decision No. 75473, filed July 22, 1969).

PAT further contends that it received unfair consideration in the proposed report on the ground that its application was rejected on a competitive basis under the assumption that it would be competing with Western, PSA and Air Cal. PAT maintains that after the examiner determined that only one carrier should be certificated on each of the routes, it should have been considered for authorization on at least the LGB-SJC and LGB-OAK routes as a sole carrier.¹

This argument is unpersuasive. The proposed report demonstrates that PAT failed to make a sufficient presentation to justify certification by the Commission at this time, regardless of the competitive or noncompetitive nature of the routes. Moreover, we do not agree with the contention that the LGB-OAK and LGB-SJC routes are noncompetitive merely because only one carrier has been authorized to operate on each of them. Even if PAT was qualified to commence operations on either of these routes, it would still face indirect competition with the service of PSA, Western and United Air Lines (UAL) at LAX and with Air Cal's service at Orange County Airport (OCA). With regard to the LGB-OAK route, Western can reopen service on it at any time. And with regard to the LGB-SJC segment, Air Cal was recommended to serve this route as a possible means in assisting it in reducing its overall costs and in alleviating to some extent any adverse effects from PSA's entry into the passenger market area served by OCA. Given the financial

¹ The LGB-OAK segment will probably be a one-carrier route because Western has recently discontinued its LGB-OAK service.

operating conditions that have recently required both PSA and Air Cal to seek fare increases from the Commission, we do not believe that certification of a third intrastate carrier in the Los Angeles-Bay Area corridor is in the public interest at this time.

The most important issue presented on exceptions to the proposed report concerns the change in position of Long Beach. While the City Council initially supported the three applicants herein, as well as the development of LGB into a major satellite airport to serve the Los Angeles basin area, it has now adopted a position in opposition to any increased air passenger service.² Jet Control supports the City Council's present position. The Long Beach Chamber of Commerce opposes it, and urges adoption of the proposed report.

In furtherance of this new policy Long Beach has withdrawn requests to the Civil Aeronautics Board to have LGB designated as a co-terminal with LAX.³ It has not undertaken the temporary expansion of terminal building facilities to accommodate any of the three applicants involved herein; and the City Council has tabled indefinitely a consulting firm's report regarding long-term airport expansion. And by resolution adopted May 6, 1969, the City Council has officially announced its opposition to any additional service at LGB. Since the present terminal facilities are entirely occupied, the record is clear that the present terminal building facilities

2 See Decision No. 75604, Order Denying Motions to Augment the Record and Taking Official Notice of the Revised Position Adopted by the City of Long Beach, dated April 29, 1969.

3 Despite this change in position, the Civil Aeronautics Board has continued to designate LGB as a co-terminal with LAX and ONT (See certificates of Continental Air Lines, Northwest Airlines, Pan American World Airways, Trans World Airlines, United Air Lines, and Western Air Lines, Order 69-7-105, dated July 21, 1969, in Docket 16242, Transpacific Route Investigation).

are inadequate (Tr. 127). To this extent we have no choice but to reject Finding of Fact No. 1 in the proposed report. We must find that the present airport facilities at LGB are inadequate. Therefore, the Commission is faced with the question whether it should grant certificates to either PSA or Air Cal under these circumstances.

While it is possible for PSA and Air Cal to conduct operations from LGB by embarking and disembarking passengers on the runways, all three applicants have indicated that if certificated they will not do so. Such operations would be most inconvenient to the public in that ticketing, and baggage pickup and delivery, would have to be conducted under awkward and perhaps hazardous conditions. We are of the opinion that such operations would only be self defeating and should not be undertaken on a permanent basis.

PSA advocates that we grant certificates to it and any other applicants which we find to be qualified; and then allow them to negotiate with Long Beach for the purpose of attaining access to counter, ramp and terminal facilities at LGB. If the City Council refused such access, PSA states it would not operate any LGB service. While this resolution of the matter is simple, we find it unsatisfactory because the result is nothing more than to transfer to the local community this Commission's authority to determine which carriers should be certificated in the public interest.

The Commission believes that consideration should be given to the official position of Long Beach. This position has been taken by the elected representatives of the people of Long Beach, and as such we accept it as representative of public opinion in the community. We recognize that no one desires to live next door to major transportation facilities such as airports and freeways. We

agree that such local community opinion constitutes part of the public interest which we must consider under Section 2753 of the Public Utilities Code in determining applications for certificates of public convenience and necessity.

On the other hand, we are cognizant of the fact that these proceedings were commenced by the applicants with the wholehearted support of the City Council at that time. We must also give weight to the fact that only a few communities in the State combine the high quality airport runway and operational facilities which have been constructed at LGB with the geographical location to render assistance to LAX, the major hub airport in Southern California. Except for the size of the terminal building facilities, LGB is a modern, jet-age airport with adequate automobile parking space to accommodate the traffic expected to result from the service proposed herein. It already has some jet aircraft operations resulting from the McDonnell-Douglas Company's production and flight testing of large jet transport aircraft at its facilities adjacent to LGB, and also from the operations of Western and Air West. There is no doubt that air and ground congestion at LAX is a serious and growing problem. During 1968 LAX was second only to O'Hare International Airport in takeoffs and landings (594,486 at LAX; 690,810 at O'Hare). Some of this congestion at LAX, however, may well be the result of over-scheduling by the various air carriers as well as the result of the ingrained habit of the air traveling public to utilize the hub airport offering the largest number of carriers and flights. The weight given to this congestion factor is decreased somewhat by the fact that despite introduction of service to the Bay Area from Hollywood-Burbank (BUR) and Ontario (ONT) Airports, the number of flights scheduled between LAX-Bay Area has increased

rather than decreased. The effectiveness of the concept of relieving air and ground congestion at hub airports, such as LAX, by introducing service at satellite airports has yet to be demonstrated.

We agree with the findings and conclusions of the proposed report that there is public need for additional air passenger service between LGB and the Bay Area in order to help relieve congestion at LAX and in order to achieve more convenient air passenger service between the Bay Area and Southern California; that upon balancing the conflicting interests set out above this public need in an adequate and convenient intrastate air transportation system outweighs the interests represented by Jet Control, and that certificates of public convenience and necessity should be granted to PSA for the LGB-SFO, LGB-OAK and LGB-SAN routes, and to Air Cal for the LGB-SJC route. We conclude, however, that since Long Beach opposes such additional service, certificates should be temporarily denied by interim order herein in order to permit PSA and Air Cal to commence discussions or proceedings with the Long Beach City Council regarding possible use of LGB.

If between the date of our interim order herein and July 1, 1970, the Commission receives additional evidence which shows that PSA and Air Cal have secured, by means of an agreement with or by the permission of the Long Beach City Council, access to the terminal facilities at LGB, we will issue a final order granting certificates to PSA and Air Cal as recommended in the proposed report. The additional evidence must show that the terminal facilities will be adequate. The interim order will require that PSA and Air Cal each provide notice to the Commission within 30 days whether each carrier intends to commence negotiations with Long Beach in order to secure such access. In the event that either PSA

or Air Cal declines to commence negotiations, the other carrier may proceed to acquire terminal access rights. If both carriers file notice that they intend to commence negotiations it will be necessary that access rights be acquired by both in order to receive certificates.

These proceedings regarding air passenger service at LGB will remain open for the receipt of additional evidence in conformity with the foregoing opinion.

II

San Diego-Oakland and San Jose

Air Cal requests authority to operate two daily nonstop flights between SAN-OAK and SAN-SJC. The proposed report recommended that Air Cal be granted such authority. Both PSA and Western have filed exceptions to this recommendation.⁴

While PSA's opposition during the hearings was limited to the contentions that the potential market does not justify certification of nonstop flights between these points, and that the Commission should not grant Air Cal's request because it has failed to achieve profitable operating results, on exceptions PSA also asserts that it will suffer serious loss of passengers on its SAN-OAK and SAN-SJC service.

These arguments were made by PSA with regard to Air Cal's application to operate from LGB. They were rejected in the proposed report; we also reject them. The record shows that present nonstop service between these points is minimal and that there is sufficient

⁴ Western disagrees with the findings of the potential traffic forecasts on these routes, as well as those from LGB. Western has failed to show with any degree of certainty that these findings are beyond the zone of reasonableness. Therefore, Western's exceptions are rejected.

traffic potential to justify commencement of two daily nonstop flights.

While Air Cal's financial condition is serious we believe that on this record Air Cal should not be denied the opportunity to reduce its fixed costs by operating on this route. Since Air Cal presently has station facilities at OAK and SJC, its initial operating costs should be less than if it was commencing service on a completely new route. Air Cal has recently received a fare increase from the Commission which may also improve its financial position. In concluding that this limited expansion of Air Cal's route system should be approved, we endorse the admonition appearing in the proposed report that it is reasonable to assume that if a particular route proves unprofitable the carrier's management will take corrective action.

As for PSA's contention that it faces serious loss of passengers if Air Cal is certificated as requested, we doubt that any great loss can reasonably be expected to occur in view of PSA's dominant position in the California intrastate air passenger market and its demonstrated ability to compete aggressively.

III

Sacramento Service by PSA

PSA's application seeks authority to serve Sacramento Metropolitan Field (SMF) from San Francisco and Long Beach. It requests certification on two routes: LGB-SFO-SMF, and SFO-SMF. It proposes to operate a minimum of four daily round trips between SFO-SMF. Local passengers between SFO and SMF would be carried at a fare which is less than that charged by the present carriers, UAL and Air West. While Air West protested PSA's application it has not actively participated in this proceeding, and it did not file any

brief. Under PSA's proposal at least 192,000 SFO-SMF passengers per year are required to cover operating costs. The proposed report found that PSA's presentation of the potential traffic data failed to demonstrate a sufficient volume of potential traffic to justify authorization. This conclusion was based upon the fact that the record indicated total potential LGB-SFO-SMF and SFO-SMF traffic for 1969 of only 127,000 passengers. The proposed report recommended, however, that PSA be given every opportunity to explain this apparent inconsistency.

PSA now contends that the proposed report fails to take into consideration those potential passengers from BUR and from ONT, who would utilize PSA's service to SFO and then continue to SMF via its SFO-SMF service. PSA maintains that many Southern California bound passengers would utilize the SFO-SMF leg of its LGB service and then continue to BUR or ONT on its flights departing SFO. In particular, PSA points to the results of its traffic survey, which shows a potential of over 300,000 BUR-SFO-SMF passengers and over 100,000 ONT-SFO-SMF passengers. Other considerations which PSA urges us to weigh favorably include the stimulation of local SFO-SMF traffic expected from its reduced fare and frequent service; the increased operational efficiencies and economics that will be achieved through the capability of shifting aircraft between SMF-SFO; and the record of PSA's management in developing commuter airline service.

Staff Exhibit No. 29 shows that during 1967 PSA carried 329,200 passengers between BUR-SFO, and 96,100 during the first quarter of 1968. Projecting the 1968 first quarter result for the entire year produces an estimate of 384,400 passengers for that year. After adding only 10 percent stimulation for 1969 the estimated 1969 BUR-SFO traffic is 422,400. Under the results of PSA's

survey, over 75 percent of the 1969 forecast of BUR-SFO traffic would utilize SFO-SMF service. We conclude that such a high percentage of through traffic is unrealistic, and we estimate that no more than 200,000 SFO-SMF passengers can be expected from BUR.⁵

Considering that PSA's traffic survey of 127,000 LGB-SFO-SMF passengers in 1967 can reasonably be projected at 10 percent annual stimulation to about 154,000 estimated passengers for 1969; and that the potential SFO-SMF traffic originating from BUR approximates 200,000 passengers during 1969, the Commission is of the opinion that there is sufficient SFO-SMF traffic potential to conclude that the necessary 192,000 passengers per year will develop. In making this determination we give substantial weight to the factors of PSA's reduced fare; the judgment of its management; and the lack of any opposition to its request.

PSA's proposal to operate between LGB-SFO-SMF will be made subject to the same conditions as its request to operate between LGB and the Bay Area. We will, however, now grant authority to PSA to operate a minimum of four daily round trip flights between SFO-SMF.

Findings of Fact

Based upon the evidence of record in these proceedings, the briefs, the proposed report, the exceptions and replies thereto, and the oral arguments, the Commission adopts the findings of fact set forth in the proposed report, except Findings of Fact Nos. 1, 39, 41, 42 and 43. Based upon the additional evidence considered by official notice, the arguments set forth in the briefs and

⁵ No consideration will be given to potential SFO-SMF traffic originating from ONT because Western has commenced nonstop ONT-SMF service with two daily round trip flights (Western Airlines Schedule, effective July 1, 1969 through September 5, 1969).

exceptions, the replies thereto and the oral arguments, the Commission finds in lieu of Findings of Fact Nos. 1, 39, 41, 42 and 43 that:

1. The City of Long Beach had announced that it will not temporarily expand its terminal facilities at LGB to accommodate the passenger air carrier service proposed by the applicants herein; it has postponed indefinitely the permanent expansion of the terminal facilities at LGB; and it has changed its position from that of supporting the applicants herein to that of opposing any additional passenger air carrier service at LGB. Since additional terminal space at LGB is necessary to accommodate the service proposed by the applicants herein, the present LGB terminal facilities are presently not adequate.

2. As a result of the facts set forth in Finding of Fact No. 1, above, and as a result of the change of position adopted by the City of Long Beach, public convenience and necessity require the temporary denial of a certificate of public convenience and necessity for PSA to operate as a passenger air carrier between LGB-SFO, LGB-OAK, LGB-SAN, and LGB-SMF via SFO, in accordance with the terms set forth in the interim order issued herein.

3. As a result of the facts set forth in Finding of Fact No. 1, above, and as a result of the change of position adopted by the City of Long Beach, public convenience and necessity require the temporary denial of a certificate of public convenience and necessity for Air Cal to operate as a passenger air carrier between LGB-SJC, in accordance with the terms set forth in the interim order issued herein.

4. In accordance with Findings of Fact Nos. 31, 32, 33, 34 and 35, as set forth in the proposed report, public convenience and

necessity require the granting to Air Cal of a certificate to operate as a passenger air carrier between SAN-OAK and SAN-SJC.

5. In order to initiate four daily round trip flights between SFO-SMF, PSA requires at least 192,000 passengers per year to recover its total operating expenses. We find that approximately 200,000 passengers per year originating in BUR would utilize PSA's proposed SFO-SMF service. PSA will offer service on this route at a lower fare than presently offered. Therefore, it is reasonable to conclude that local SFO-SMF traffic will be stimulated. PSA will achieve operational efficiencies and economies by initiating such service in that it will be able to shift aircraft more easily to meet peak traffic demand. There is no opposition to PSA's application to commence this service.

6. We find that PSA would recover its total operating costs for four daily round trip flights in the first year of stable operations. Upon entering the SFO-SMF market, PSA will provide additional flights at peak hours at a fare which is lower than that presently charged. These service improvements will benefit the public immediately.

7. Public convenience and necessity require the granting to PSA of a certificate to operate as a passenger air carrier between SFO-SMF.

Conclusions of Law

Based upon the foregoing findings of fact, and the findings of fact set forth in the proposed report except Findings of

Fact Nos. 1, 39, 41, 42 and 43, the Commission makes the following conclusions of law:

1. The application of PAT should be denied.
2. The application of PSA for a certificate of public convenience and necessity to operate as a passenger air carrier between SFO-SMF should be granted. In all other respects the application should be temporarily denied.
3. The application of Air Cal for a certificate of public convenience and necessity to operate as a passenger air carrier between SAN-OAK and SAN-SJC should be granted. In all other respects the application should be temporarily denied.

Pacific Southwest Airlines and Air California are 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.

INTERIM ORDER
ON SERVICE FROM LONG BEACH

IT IS ORDERED that:

1. Certificates of public convenience and necessity authorizing Air California to operate as a passenger air carrier between Long Beach Airport and San Jose Airport; and authorizing Pacific Southwest Airlines to operate as a passenger air carrier between Long Beach Airport and San Francisco International Airport; between Long Beach Airport and Oakland International Airport; and between Long Beach Airport and San Diego International Airport; and between Long Beach Airport to Sacramento Metropolitan Field via San Francisco International Airport are temporarily denied until on or before July 1, 1970.

2. These proceedings regarding passenger air carrier service from Long Beach Airport by Air California and Pacific Southwest Airlines remain open for the receipt of additional evidence in order that each of the two applicants may proceed to acquire from the City of Long Beach access rights to adequate terminal facilities at Long Beach Airport.

3. Within thirty days after the effective date hereof, each applicant will provide notice to the Commission stating whether it intends to commence negotiations with the City of Long Beach to acquire terminal access rights. If either applicant files notice declining to commence such negotiations, the other applicant may proceed to acquire terminal access rights from the City of Long Beach. If the two applicants file notice that they intend to commence negotiations to acquire terminal access rights, it is necessary that such rights be acquired by both applicants.

4. Upon the receipt of notice that terminal access rights have been received from the City of Long Beach, or that such rights have been denied, or on July 1, 1970, whichever occurs first, the Commission will give further consideration to the interim order issued herein and will issue an appropriate final order.

5. The application of Pacific Southwest Airlines for a certificate of public convenience and necessity to serve between Long Beach Airport and San Jose Airport is denied.

6. The application of Air California for a certificate of public convenience and necessity to serve between Long Beach Airport and San Diego International Airport; and between Long Beach Airport and Oakland International Airport; and between San Diego International Airport and Oakland International Airport via Long Beach Airport; and between San Diego International Airport and San Jose Airport via Long Beach Airport, is denied.

7. The application of Pacific Air Transport for a certificate of public convenience and necessity to serve between Long Beach and the Bay Area is denied.

ORDER REGARDING SERVICE
BETWEEN SAN DIEGO AND OAKLAND/SAN JOSE; AND
SERVICE BETWEEN SAN FRANCISCO AND SACRAMENTO

IT IS ORDERED that:

1. A 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 route particularly set forth in Appendix A, attached hereto and made a part hereof.

2. A certificate of public convenience and necessity is granted to Air California, 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 particularly set forth in Appendix B, attached hereto and made a part hereof.

3. In providing service pursuant to the certificates herein granted, each applicant certificated herein shall comply with and observe the following service regulations. Failure to do so may result in a cancellation of the operating authority granted by this decision.

- a. Within thirty days after the effective date hereof, each applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, each 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.
- b. Within one hundred and eighty days after the effective date hereof, each applicant shall establish the service herein authorized and file 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.

These orders shall become effective ten days after the date hereof.

Dated at San Francisco, California, this 3rd day
of SEPTEMBER, 1969.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

William J. Quinn
President
[Signature]
[Signature]
Commissioners

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 over numbered routes in either direction:

Routes

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.
5. Between Los Angeles and Sacramento.
6. Between Ontario International Airport and San Francisco International Airport.
7. Between San Jose Municipal Airport and Oakland International Airport, on the one hand, and Hollywood-Burbank Airport, on the other hand.
8. Between San Diego and Ontario.
9. Between San Francisco International Airport and Sacramento Metropolitan Field.

RESTRICTIONSRoutes 1 through 5, inclusive

Passengers shall be transported by air in either direction in Lockheed Electra, Boeing 727, Boeing 737, or Douglas DC-9 aircraft.

Issued by California Public Utilities Commission.

Decision No. 76110, Application No. 50261.

RESTRICTIONS--Contd.Route 6

1. Passengers shall be transported by air in either direction in nonstop service at a minimum of four scheduled round trip flights daily.
2. No nonstop service may be operated between Ontario International Airport (ONT) and any other points served by Pacific Southwest Airlines under other authorization with the exception of San Diego.

Route 7

1. Passengers shall be transported in either direction in Lockheed L-188 (Electra) Aircraft, Douglas DC-9, Boeing 727-100, Boeing 727-200 and Boeing 737 Aircraft with a minimum of four round trips daily.
2. This route authorization is limited to the specific segments of Route 7.

Route 8

Passengers shall be transported in either direction in nonstop service at a minimum of two scheduled round trips daily.

Route 9

Passengers shall be transported in either direction in nonstop service at a minimum of four scheduled round trips daily. All service to Sacramento Metropolitan Field from any other points already served by Pacific Southwest Airlines must be provided via San Francisco International Airport, except for the nonstop service authorized between Los Angeles International Airport and Sacramento Metropolitan Field.

Issued by California Public Utilities Commission.

Decision No. 76110, Application No. 50261.

The authority stated herein to Air California supersedes all previously granted certificates of public convenience and necessity granted in Decisions Nos. 71310, 73172 and 74248, as modified by Decisions Nos. 73916, 74672, 75473 and 75997.

Air California, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate with Douglas DC-9 aircraft or Boeing 737 aircraft over the routes described as follows:

Route 1

Between Orange County Airport, on the one hand, and San Jose Municipal Airport, Oakland International Airport and San Francisco International Airport, on the other hand, with each of the last three named airports being either a terminal or intermediate point for this route.

Route 2

Between Orange County Airport, Hollywood-Burbank Airport and Ontario International Airport, on the one hand, and San Jose Municipal Airport and Oakland International Airport, on the other hand, with each of the first three named airports and each of the last two airports, respectively, being either a terminal or intermediate point for this route.

Route 3

Nonstop service between San Diego International Airport and San Jose Municipal Airport.

Route 4

Nonstop service between San Diego International Airport and Oakland International Airport.

Issued by California Public Utilities Commission.

Decision No. 76110, Application No. 50381.

CONDITIONS

Minimum number of round trip schedules daily between points shown shall be:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| a. Orange County Airport and San Francisco International Airport | 5 |
| b. Orange County Airport and San Jose Municipal Airport | 3 |
| c. Orange County Airport and Oakland International Airport | 4 |
| d. Between Hollywood-Burbank Airport and Ontario International Airport, on the one hand, and San Jose Municipal Airport and Oakland International Airport, on the other hand | 2 |
| e. Between San Diego International Airport and San Jose Municipal Airport | 2 |
| f. Between San Diego International Airport and Oakland International Airport | 2 |

RESTRICTIONS

No passengers shall be accepted for transportation solely between the following pairs of points:

- a. Orange County Airport - Ontario International Airport.
- b. Orange County Airport - Hollywood-Burbank Airport.
- c. Hollywood-Burbank Airport - Ontario International Airport.
- d. San Francisco International Airport - San Jose Municipal Airport.
- e. San Francisco International Airport - Oakland International Airport.
- f. Oakland International Airport - San Jose Municipal Airport.
- g. San Francisco International Airport - Ontario International Airport.
- h. San Francisco International Airport - Hollywood-Burbank Airport.
- i. San Diego International Airport and other airports already served by Air California except as authorized by Routes 3 and 4.

Issued by California Public Utilities Commission.

Decision No. 76110, Application No. 50381.