

ORIGINAL

Decision No. 76780

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIR CALIFORNIA )  
for temporary suspension of }  
service. }  
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Application No. 51610  
(Filed January 9, 1970)

OPINION AND ORDER

Air California, a passenger air carrier, requests a special temporary suspension of service between Hollywood-Burbank, on the one hand, and San Jose and Oakland, on the other hand, pursuant to Section 2766 of the Public Utilities Code.<sup>1/</sup> Applicant requests this temporary suspension be effective until such time as the 60-day waiting period required under Section 2769.5 of the Code has passed.<sup>2/</sup>

Applicant alleges that its operations over the aforementioned portions of its certificated route have been unprofitable

1/ Section 2766 reads as follows:

"Upon application for suspension or deletion of any certificated point, the commission may authorize, upon 30 days' notice, a special temporary suspension. Such suspension shall only remain effective, however, pending hearing and decision on the application if an interested person or party so requests...." (Emphasis supplied.)

2/ Section 2769.5 reads as follows:

"No passenger air carrier shall discontinue operations between any two or more terminals without authority of the commission, unless such operations are unprofitable. Unprofitable operations may be discontinued upon 60 days' notice to the commission, and to such other persons as the commission may require, unless within such 60-day period the commission, after hearing, makes a finding that such operation is not unprofitable and orders its continuance."

A. 51610 ds

and will continue to be so in the future. Applicant asserts that it is losing in excess of \$50,000 per month, between the points in question, based on a comparison of passenger revenues and station expenses. The application indicates that average passenger revenue at Hollywood-Burbank for the four-month period September through December, 1969 was \$11,737.50. The application states that costs for maintaining this station, calculated on an add-on basis approximate \$65,000 per month.

The application requests an order be issued waiving the 30-day waiting period required in Section 2766 or, in the alternative, that the 60-day period required by Section 2769.5 be waived and applicant's notice thereunder, dated January 2, 1970,<sup>3/</sup> be made effective immediately. The application states that Air California believes these extraordinary measures are justified in order to help it conserve its assets to better serve its more heavily traveled routes. The application alleges that the discontinuance will not adversely affect the public, as the service offered by it to and from Hollywood-Burbank is merely token service.

The application herein was served upon the City Clerks of the airport cities involved herein, upon the County Clerk or County Counsel of Alameda, Los Angeles and Santa Clara Counties and others as indicated in the application. Notice of the filing of the application also appeared on the Commission's Daily Calendar of January 12, 1970. There are no protests.

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3/ This apparently refers to a letter to the Commission dated January 2, 1970, and received by the Commission on January 7, 1970. That letter was not served on any interested person or community, and thus does not constitute notice under the statute.

A. 51610 ds

The Commission finds that:

1. Air California's operations are unprofitable on those portions of its certificated routes serving Hollywood-Burbank Airport.

2. Discontinuance of service over said routes will not be adverse to the public interest.

3. A public hearing is not necessary.

The Commission concludes that:

1. The notice periods contained in Sections 2766 and 2769.5 of the Code cannot be waived.

2. The earliest date that operations on routes serving Hollywood-Burbank Airport permanently can be discontinued is March 10, 1970.

3. Air California should be authorized to suspend operations on said routes during the period from the date of this order through March 9, 1970, and to permanently discontinue operations on said routes effective March 10, 1970.

IT IS ORDERED that:

1. Air California, a corporation, is authorized under Section 2766 of the Public Utilities Code to temporarily suspend operations on those portions of its certificated routes serving Hollywood-Burbank Airport in the period from the date of this order through March 9, 1970.

2. Air California is authorized to permanently discontinue service because of unprofitable operations on routes serving Hollywood-Burbank Airport effective March 10, 1970.

A. 51610 ds

3. The authority granted in paragraph 2 hereof shall expire unless exercised within ninety days.

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

Dated at San Francisco, California, this 10th day of FEBRUARY, 1970.

William Synovis, Jr.  
President

[Signature]

[Signature]

Vernon L. Sturgeon  
Commissioners

I dissent.

[Signature]