

MS

Decision No. 77937

ORIGINAL

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 on the one hand and San Jose on)
the other hand with Hollywood-Burbank)
Airport as an intermediate point.)

Application No. 51329
(Filed August 20, 1969)

ORDER GRANTING PERMANENT CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

Applicant, Pacific Southwest Airlines (PSA), a corporation, requests that the Commission grant it a permanent certificate of public convenience and necessity pursuant to Sections 2742 through 2765 of the Public Utilities Code, to transport passengers by air in either direction between San Diego and San Jose, California, via Hollywood-Burbank.

PSA initially filed the application herein after our determination in Air California v. Pacific Southwest Airlines, Decision No. 76109, dated August 26, 1969, in Case No. 8937 in which the Commission concluded that PSA could not tack its authority to operate between San Diego and Hollywood-Burbank and between Hollywood-Burbank and San Jose in order to provide one-stop through service between San Diego and San Jose.

Air California (Air Cal) protested PSA's application herein because Air Cal also conducted operations between Hollywood-Burbank and San Jose and Oakland. A prehearing conference was held on November 25, 1969. Hearing dates were set for February, 1970. These dates were cancelled, at the request of both parties however, after PSA and Air Cal filed a joint application, Application No.

51736, dated February 25, 1970, providing for acquisition of Air Cal by PSA.^{1/}

By Decision No. 76780, dated February 10, 1970, in Application No. 57610, the Commission granted Air Cal's request to suspend its operations between Hollywood-Burbank and San Jose and Oakland effective on February 10, 1970, and to discontinue permanently this service effective on March 10, 1970, because these operations were unprofitable.

As a result of Decision No. 76780, PSA became the sole intrastate airline operating from Hollywood-Burbank to San Jose, but it could not operate through service between San Diego and San Jose via Hollywood-Burbank. Under these circumstances, the Commission granted PSA in Decision No. 76816, dated February 17, 1970, a temporary certificate of public convenience and necessity in this proceeding so that it could provide one-stop through service.

PSA now requests that this, its temporary authority, be made permanent. Air Cal, the only protestant to the application, by letter to the Commission dated August 21, 1970, states that it does not protest PSA's petition since the result to the traveling public is improved service. Therefore, no further hearings are required in this proceeding.

After consideration the Commission finds that:

1. PSA possesses the necessary equipment, experience, insurance coverage, and financial ability to provide passenger air carrier service between San Diego and San Jose via Hollywood-Burbank.
2. Public convenience and necessity require the granting of this authority.

^{1/} After eleven days of hearing and the introduction of 52 exhibits, PSA withdrew from the agreement of acquisition (See Decision No. 77341, dated June 9, 1970).

3. A public hearing is not necessary.

Based upon the foregoing findings of fact, the Commission concludes that a certificate of public convenience and necessity should be granted to PSA authorizing it to operate between San Diego and San Jose via Hollywood-Burbank.

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 certificate of public convenience and necessity is granted to Pacific Southwest Airlines authorizing it to operate as a passenger air carrier as defined under Section 2741 of the Public Utilities Code between the points and over the route more particularly set forth as Route 14 in Appendix A attached hereto.

2. Appendix A of Decision No. 76110 as heretofore amended is further amended by incorporating therein Second Revised Page 1, Second Revised Page 2, First Revised Page 3 and Original Page 4 attached hereto in revision of First Revised Page 1, First Revised Page 2, Original Page 2a and Original Page 3, respectively.

3. In providing service pursuant to the certificate herein granted, applicant shall comply with and observe the service regulations set forth in Decision No. 76816, ordering paragraph 2. Failure to do so may result in a cancellation of the operating authority granted by this decision.

4. 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 comply with and observe the insurance requirements of the Commission's General Orders Nos. 120-B and 129.

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

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

Chairman
Arthur J. ...

William J. ...

Alvin ...

Vernon L. Stinson
Commissioners

Commissioner J. P. Vukasin, Jr., 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 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 Airport.
10. Nonstop between Long Beach Airport and San Diego International Airport.
11. Nonstop between Long Beach Airport and Oakland International Airport.
12. Nonstop between Long Beach Airport and San Francisco International Airport.

Issued by California Public Utilities Commission.

Decision No. 77937, Application No. 51329.

MS

APPENDIX A
(Dec. 76110)

PACIFIC SOUTHWEST AIRLINES Second Revised Page 2
(a corporation) Cancels
First Revised Page 2

Routes (Continued)

13. Between Long Beach Airport and Sacramento Metropolitan Airport via intermediate point of San Francisco International Airport.
- #14. Between San Jose Municipal Airport and San Diego International Airport via intermediate point of Hollywood-Burbank Airport.

Issued by California Public Utilities Commission.

#Added by Decision No. 77937, Application No. 51329.

MS

APPENDIX A
(Dec. 76110)

PACIFIC SOUTHWEST AIRLINES
(a corporation)

First Revised Page 3
Cancels
Original Page 3

Restrictions

Routes 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.

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-88 (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 Airport 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 Airport.

Issued by California Public Utilities Commission.

Decision No. 77937, Application No. 51329.

MS

APPENDIX A
(Dec. 76110)

PACIFIC SOUTHWEST AIRLINES
(a corporation)

Original Page 4

Routes 10, 11, 12 and 13

Service between the points authorized on these routes shall not be connected, combined or operated in combination with points or routes previously authorized, or with each other except as herein provided. Route 10 may be connected with Routes 11, 12 or 13 at Long Beach to provide through service to passengers as follows:

San Diego - Long Beach - Oakland
San Diego - Long Beach - San Francisco
San Diego - Long Beach - San Francisco (intermediate
point per Route 13) - Sacramento

The points herein authorized must be operated as specified, no over flights of points authorized shall be permitted.

#Route 14

Service between the points authorized on this route shall not be connected, combined or operated in combination with points or routes previously authorized. The points herein authorized must be operated as specified, no over flights of points authorized shall be permitted.

Issued by California Public Utilities Commission.

#Added by Decision No. 77937, Application No. 51329.