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ORIGINAL

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
VALLEY AIRLINES, INC., a California )  
Corporation, for a Certificate of )  
Public Convenience and Necessity. }

Application No. 51211

ORDER AUTHORIZING TEMPORARY  
SUSPENSION OF PASSENGER AIR CARRIER  
OPERATIONS PURSUANT TO SECTION 2766  
OF THE PUBLIC UTILITIES CODE

Valley Airlines, Inc. (Valley) requests modification of Decision No. 77424, dated June 30, 1970, in order to amend its certificate of public convenience and necessity authorizing passenger air carrier operations between San Jose and Lake Tahoe, and between Fresno and Lake Tahoe, to provide for only summer seasonal service from June 1 through September 30 each year.

A protest to Valley's petition for modification was filed by Holiday Airlines (Holiday). Valley and Holiday have agreed to waive a public hearing and submit the matter on written briefs. The City of South Lake Tahoe also opposes the proposed reduction in service but it does not request a public hearing.

Pending the receipt of briefs and final determination on Valley's petition, it seeks authority for a ninety-day special temporary suspension of its service to Lake Tahoe pursuant to Section

2766 of the Public Utilities Code.<sup>1/</sup> In support of this request Valley alleges that both passenger traffic experience and winter weather conditions justify the proposal.

Valley's petition relates that Tahoe station costs are approximately \$750 monthly, excluding landing fees and the 40 cents per passenger head tax, but that from January through May its 1970 traffic and revenue results were as follows:

<u>Month</u>	<u>No. of Passengers</u>	<u>Revenue</u>
January	26	\$ 364.00
February	65	917.00
March	36	508.00
April	43	609.00
May	137	1,938.00

Therefore, Valley asserts that winter season revenue does not offset Tahoe station overhead, or begin to cover operational costs.

In addition, the petition states that winter weather conditions prevent Valley from providing reliable service. Air traffic at the Tahoe Airport is restricted to visual flight conditions which result in frequent cancellations of scheduled flights. Valley does not present any data regarding the number of flight cancellations in its petition.

Under the terms set forth in Section 2766 of the Public Utilities Code the Commission will grant to Valley a special

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<sup>1/</sup> Section 2766 states:

"2766. Upon application for suspension or deletion of any certificated point, the commission may authorize a special temporary suspension. Such suspension, when authorized, shall be effective 30 days after the filing of said application and shall only remain effective, however, pending hearing and decision on the application if an interested person or party so requests. The special temporary suspension may be ordered for a maximum 90-day period, and may be renewed by the commission for an additional 90-day period, if such additional time is required to complete the proceedings before the commission, except that a stay of the commission's decision, on its own motion or by the Supreme Court, will serve to continue the special temporary suspension until 10 days after termination or a review proceeding."

temporary suspension for a 90-day period. Such action should aid Valley's financial condition by reducing its loss operations, pending final determination of Valley's petition for modification.

Therefore, IT IS ORDERED that:

1. Valley Airlines may suspend air passenger carrier service on its Route 2 (South Lake Tahoe - Fresno) and Route 3 (South Lake Tahoe - San Jose) for a period of ninety days commencing ten days after the effective date of this order.

2. Briefs in opposition to granting Valley's petition for modification, filed on October 23, 1970, must be filed no later than thirty days after the effective date of this order. Valley may file a reply brief no later than fifteen days after commencement of the special suspension period granted herein.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 5th day of JANUARY, 1971.

J. Williams Jr.  
Chairman  
William J. Quinn

Vernon L. Sturgeon

Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.