

ORIGINAL

Decision No. 78299

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Air California for a modification in its Certificate of Public Convenience and Necessity in either direction between San Diego, on the one hand, and San Jose/Oakland, on the other hand.

Application No. 52165

In the Matter of the Application of PACIFIC SOUTHWEST AIRLINES for a certificate of public convenience and necessity in either direction between San Diego and Sacramento, nonstop; San Diego and Sacramento via San Francisco/San Jose or Oakland; San Diego/Santa Ana/San Francisco/San Jose/Oakland; San Diego/Santa Ana/San Francisco or San Jose or Oakland and Sacramento; Santa Ana/San Francisco/San Jose/Oakland; Santa Ana and Oakland via San Jose; Santa Ana and Sacramento via San Francisco/San Jose or Oakland; Santa Ana and Sacramento, nonstop.

Application No. 51080

ORDER GRANTING MODIFICATION OF DECISION NO. 78276

By Decision No. 78276, dated February 2, 1971, in Applications Nos. 52165 and 51080, the Commission ordered that a consolidated hearing be held in order to determine which applicant, Air California (Air Cal) or Pacific Southwest Airlines (PSA), should receive permanent operating authority to provide air passenger carrier service between San Diego and San Jose/Oakland via Santa Ana (Orange County Airport).

On February 3, 1971, Air Cal filed a petition for rehearing in which it requests that the Commission modify Decision No. 78276 to authorize it temporary operating authority to carry local passengers between San Diego and Santa Ana. The proposed fare between the

A. 52165, 51080 ds

two points is \$7.00, including tax.

Air Cal asserts that its request is justified by public convenience and necessity. It relies primarily upon the fact that it is presently operating between the two points with a closed door restriction. It states that some 300 unsolicited inquiries about local service have been received during the first month it operated between the points. Air Cal alleges that some companies have had employees purchase tickets for Air Cal's through service from San Diego to San Jose, and then directed them to deplane at Orange County Airport.

In further support of its request Air Cal points out that its statement of income for 1970 shows a loss of \$419,000. It estimates that it may receive approximately \$220,000 in additional net revenues during the first six months of operations if its request herein is granted.

Furthermore, Air Cal urges that its request be granted because PSA has not requested temporary operating authority between the two points; and it alleges that any such operations are not possible because PSA does not have any terminal space at the Orange County Airport.

After considering the matter, the Commission concludes that Air Cal's request should be granted. We note that Air Cal is presently authorized to operate, and is operating between San Diego and Santa Ana as part of the through service to San Jose/Oakland. Therefore, the Commission finds that it is reasonable to permit Air Cal to carry local passengers between the two points until the question of which air carrier should receive permanent operating authority is resolved. In this manner public convenience and necessity will be served by meeting the public demand for such local

service, and some assistance will be rendered to Air Cal's poor financial condition. This temporary authority to carry local passengers between San Diego and Santa Ana will be granted for the same period, i.e., until August 31, 1971, as Air Cal's temporary authority to conduct through service from San Diego to San Jose/Oakland.

IT IS ORDERED that:

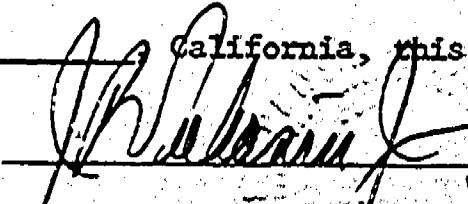
1. Decision No. 78276, dated February 2, 1971, is temporarily modified to provide that paragraph 1 of the Commission's order in Decision No. 77768, dated September 22, 1970, in Application No. 52165, is temporarily modified to provide that Air California may, for the period from the effective date of the order herein until August 31, 1971, transport passengers solely between San Diego International Airport and Orange County Airport as part of its temporary through service between San Diego International Airport and San Jose Airport and Oakland Metropolitan International Airport, via Orange County Airport.

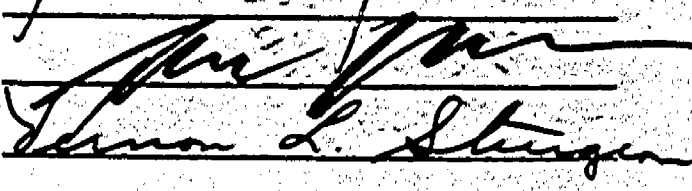
2. Within ten days after the effective date hereof, Air California shall file tariffs and timetables, in triplicate, in the Commission's office. The tariff and timetable filings shall be made effective not earlier than one day after the effective date of this order on not less than one day's notice to the Commission and the public.

3. In all other respects Decisions Nos. 77768 and 78276 shall remain in full force and effect.

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

Dated at San Diego California, this 9<sup>th</sup> day of FEBRUARY, 1971.

  
Chairman

  
Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.