

ORIGINAL

Decision No. 78398

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 AIR CALIFORNIA for a certificate of)
 public convenience and necessity to)
 provide passenger air service be-)
 tween Orange County Airport/Ontario)
 International Airport/Hollywood)
 Burbank Airport, on the one hand,)
 and Sacramento on the other.)

Application No. 51007

In the Matter of the Application of)
 PACIFIC SOUTHWEST AIRLINES for a)
 certificate of public convenience)
 and necessity in either direction)
 between San Diego/Ontario/Hollywood)
 Burbank/San Jose/ Oakland and)
 Sacramento.)

Application No. 51058

ORDER DENYING MOTION TO DISMISS A
PORTION OF APPLICATION NO. 51058

In Application No. 51007 Air California (Air Cal) originally requested authority to conduct air passenger carrier operations between Ontario and Sacramento, between Hollywood-Burbank and Sacramento, and between Orange County and Sacramento, including both non-stop service as well as service via San Jose and Oakland. Air Cal also seeks to serve Sacramento from Orange County via San Francisco.

By amendment dated October 8, 1970 Air Cal deleted its request to serve Hollywood-Burbank and Oakland. Furthermore, it revised its proposal to include service between Sacramento and San Diego, Long Beach, and Palm Springs via the intermediate point of San Jose.

In Application No. 51058, Pacific Southwest Airlines (PSA) has requested authority to conduct similar operations between Ontario and Sacramento, and between Hollywood-Burbank and Sacramento, including

both nonstop service as well as service via San Jose and Oakland. PSA also requests authority to operate between San Diego and Sacramento with nonstop service and with multi-stop service via Hollywood-Burbank or Ontario and San Jose and Oakland.

Both applicants filed protests to the other's application. After two prehearing conferences were held the applications were consolidated by the Commission in Decision No. 76427, dated November 12, 1969. A public hearing was scheduled for January, 1970, but this hearing was cancelled after the two carriers filed a joint application seeking authority for PSA to acquire Air Cal (Application No. 51736). This application was dismissed after PSA withdrew from the proposed arrangement. After a further prehearing conference, public hearings are now scheduled to commence on April 12, 1971.

Air Cal filed the motion involved herein on January 21, 1971. It requests that the Commission delete from consideration as part of PSA's application its proposal to operate between Ontario and Sacramento via San Jose/Oakland. Air Cal asserts that the primary nature of PSA's proposal to operate on this route is to enter into direct competition with Air Cal for passengers between Ontario and San Jose/Oakland; that service to Sacramento from Ontario is already provided by PSA via San Francisco; and that service between San Jose/Oakland and Sacramento will be provided in any event since PSA seeks authority between these points from Hollywood-Burbank.

PSA filed an answer in opposition to this motion on January 25, 1971. It points out that Air Cal filed a similar motion on October 23, 1969, and that it was denied by the Commission in Decision No. 76427. We concluded that it was more efficient to hear at one time the testimony and cross-examination covering both the proposed nonstop and one-stop service between Ontario and Sacramento, but

that we would issue first a separate decision on the question of nonstop service, and a later, second decision concerning one-stop service involving direct competition between Ontario and San Jose/Oakland.

We recognize that PSA's request to operate on this route involves the question whether direct competition is justified and should be permitted between the two carriers. This question is certainly an important issue raised by PSA's request. We also recognize that PSA is presently providing one-stop service between Ontario and Sacramento via San Francisco.

Nevertheless, the Commission concludes that PSA's request should remain a part of this consolidated proceeding in order to resolve how much service to Sacramento should be authorized. It may be that no such additional one-stop service from any Southern California point should be authorized, particularly if nonstop service is justified. On the other hand, it may be that one-stop service to Sacramento via San Jose/Oakland from some point in Southern California is in the public interest. The fact that such one-stop service by PSA from Ontario would involve direct competition with Air Cal is a complicating factor more burdensome to PSA than Air Cal. We conclude that Air Cal's motion should be denied, and that we should adhere to the procedure set forth in Decision No. 76427.

Therefore, IT IS ORDERED that Air California's motion to delete the proposed service by PSA between Ontario and Sacramento via San Jose/Oakland is denied.

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

Dated at San Francisco, California, this 22nd
day of 1 MARCH, 1971.

[Signature]
Chairman

[Signature]
Vernon L. Sturgeon

[Signature]
Commissioners

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