

Decision No. 79450

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of PACIFIC SOUTHWEST AIRLINES)
for an order authorizing it to)
issue and sell 750,000 shares)
Common Stock and to use the)
proceeds thereof for the purpose)
stated in this petition.)

Application No. 52856
Petition for Modification
Filed November 17, 1971

FIRST SUPPLEMENTAL OPINION

By Decision No. 64865, dated January 29, 1963, in Application No. 45122, the Commission, to the extent that it then may have had jurisdiction over security transactions of Pacific Southwest Airlines, exempted the carrier from the portion of the California Public Utilities Act pertaining to such transactions. On August 31, 1971, the Commission by Case No. 9267 instituted an investigation into the public utility status of passenger air carriers. By Decision No. 79170, dated September 21, 1971, in the present proceeding, the Commission, among other things, rescinded the above-mentioned exemption effective October 1, 1971. In its Petition for Modification, the carrier seeks an order which would have the effect of validating transactions pertaining to securities issued, reserved, guaranteed or committed prior to October 1, 1971.

After further consideration of the above-entitled matter, the Commission finds additionally that:

1. The security transactions exemption pertaining to Pacific Southwest Airlines was in effect from January 29, 1963 to October 1, 1971.
2. While said exemption was in effect, Pacific Southwest Airlines entered into numerous transactions pertaining to securities issued, reserved, guaranteed or committed.
3. Normally, property rights may not be retroactively affected by a regulatory agency.
4. Rescission of the exemption did not invalidate said security transactions.

On the basis of the foregoing findings we conclude that the petition should be granted. A public hearing is not necessary.

FIRST SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. Ordering Paragraph No. 1 of Decision No. 79170, dated September 21, 1971, rescinding the exemption granted by Decision No. 64865, dated January 29, 1963, does not invalidate any transactions pertaining to securities which, prior to October 1, 1971, Pacific Southwest Airlines had issued, reserved, guaranteed or committed.


2. Without limiting the scope of the preceding ordering paragraph, the following securities were, are, and will be exempt from the provisions of Article 5 (Stocks and Security Transactions), Chapter 4, Part 1, Division 1 of the California Public Utilities Code:

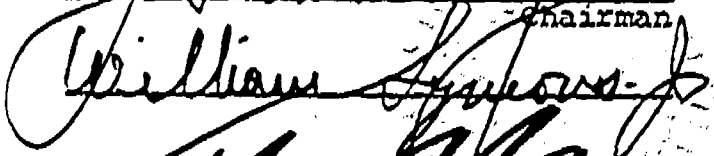
- a. Securities issued by Pacific Southwest Airlines prior to October 1, 1971.
- b. Securities issued by Pacific Southwest Airlines on or after October 1, 1971, upon exercise or conversion of securities issued prior to such date, including additional securities issued as a consequence of adjustments pursuant to antidilution provisions.
- c. Securities issued by Pacific Southwest Airlines on or after October 1, 1971, which were reserved for issuance by Pacific Southwest Airlines or issuable pursuant to commitments made by Pacific Southwest Airlines prior to such date, including additional securities issued as a consequence of adjustments pursuant to antidilution provisions.


3. No further order from the Commission is necessary to effect the applicability of the exemption of securities issued, guaranteed or to be issued in the transactions described in the petition, including the issuance of equity and the incurrence of debt.

4. The effective date of this order is the date hereof.


Dated at Los Angeles, California, this 14th
day of DECEMBER, 1971.



Chairman




William L. Sturgeon



Commissioners