

Decision No. 80393

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)	Application No. 53491
enter into and consummate a Plan)	(Filed August 2, 1972)
of Reorganization.)	

ORDER OF DISMISSAL

Pacific Southwest Airlines seeks authority to consummate transactions whereby it would become a wholly owned subsidiary of PSA, Inc.

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. 80097, dated May 31, 1972, the Commission exempted specific passenger air carriers, including applicant herein, from the provisions of Articles 5 and 6, Chapter 4, Part 1, Division 1 of the California Public Utilities Code until the issuance of a final decision in Case No. 9267. The respective titles of said articles are "Stocks and Security Transactions" and "Transfer or Encumbrance of Utility Property". Included in said Article 6 is Section 854, which reads as follows:

"No person or corporation, whether or not organized under the laws of this State, shall, after the effective date of this section, acquire or control either directly or indirectly any public utility organized and doing business in this State without first securing authorization to do so from the commission. Any such acquisition or control without such prior authorization shall be void and of no effect. No public utility organized and doing business under the laws of this State shall aid or abet any violation of this section."

On the basis of the verified application the Commission finds that:

1. Pacific Southwest Airlines, a California corporation, is a passenger air carrier as defined in the Passenger Air Carriers' Act (Secs. 2739, et seq., of the California Public Utilities Code).
2. PSA, Inc., a Delaware corporation incorporated on or about March 8, 1972, is not a party to this proceeding, and was organized for the purpose of becoming the parent corporation of applicant and subsidiaries of applicant.
3. On May 16, 1972, applicant's shareholders approved a Plan and Agreement of Reorganization whereby each of their shares of common stock would be converted into and exchanged for one share of common stock of PSA, Inc.
4. Applicant is exempt from the "Stocks and Security Transactions" and "Transfer or Encumbrance of Utility Property" provisions of the California Public Utilities Act.
5. The determination as to whether or not applicant is a public utility as defined in the California Public Utilities Act remains pending.

Based upon the foregoing findings we conclude that (1) applicant needs no authority from this Commission with respect to said Plan and Agreement of Reorganization, and (2) the application should be dismissed. A public hearing is not necessary.

IT IS ORDERED that Application No. 53491 is hereby dismissed.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 29th
day of AUGUST, 1972.

Vernon L. Sturgeon
President
William J. ...
John ...
...
Commissioners