

Decision No. 80650**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of HOLIDAY AIRLINES, INC., a
California corporation, for
authority to add Long Beach
Airport to existing route.

Application No. 50516

In the Matter of the Application
of HOLIDAY AIRLINES, INC., a
California corporation, for
authority to add Los Angeles
International Airport to its
existing Lake Tahoe authority.

Application No. 51159

In the Matter of the Application
of HOLIDAY AIRLINES, INC., a
California corporation, for
authority to serve Truckee-
Tahoe Airport.

Application No. 51346

Philip D. Roberts and George W. Shiles, for applicant.
Leslie E. Still, Jr., Deputy City Attorney, and Louis
Possner, for the City of Long Beach; Darling, Hall,
Rae and Gute, by Donald Keith Hall, Attorney at Law,
for Western Airlines; and Kevin P. McAchren, for
Long Beach Airport Improvement Committee; interested
parties.

Robert T. Baer, Attorney at Law, and Richard Brozosky,
for the Commission staff.

O P I N I O N

Applicant provides a passenger air service between the airports of Los Angeles, Hollywood-Burbank, Oakland, San Jose, Tahoe Valley and San Diego. By Decision No. 74860, dated October 22, 1968, in Application No. 50516, applicant was authorized to operate between Long Beach Airport, on the one hand, and the airports of Hollywood-Burbank and Tahoe Valley (South Tahoe), on the other hand. This authority was supplemented by Decision No. 77228, dated May 19, 1970, in Application No. 51346, which authorized the applicant to provide service between Long Beach and the Truckee-Tahoe (North Tahoe) Airport.

Applicant has not been able to inaugurate the Long Beach service. In early 1969 the City Council voted to curtail the operation of large aircraft at the Long Beach Airport. Airlines using the airport at the time the decision was made were required to reduce the number of flights and to discontinue flying late at night. Other airlines were not allowed to fly in or out of Long Beach. On January 18, 1972, the Commission issued Decision No. 79601, an ex parte order, in Applications Nos. 50516, 51159 and 51346, which revoked applicant's authority to serve the Long Beach Airport. Applicant requested a public hearing by letter dated February 15, 1972 which stayed the order of revocation. A hearing was held on June 13, 1972, in San Francisco, and continued to August 22, 1972 at the request of the applicant. The August 22, 1972 hearing was also held in San Francisco before Examiner Fraser. During the August hearing applicant requested that its authority to serve Long Beach be extended for an additional two years. The president of the applicant corporation testified briefly and placed Exhibit No. 1 in evidence, which showed applicant's routes and the service proposed for Long Beach. He testified that applicant can start service in a few months if the necessary authority to use the airport can be obtained from the City Council. He advised that the inauguration of service is very costly and can only be financially supported during the busy summer months. Applicant has requested a two-year extension of its authority to serve Long Beach since if applicant is not operating out of the airport by early summer of 1973, it will be necessary to start planning to operate in summer of 1974. Applicant would not commence service during the winter months when earnings do not justify increasing operating costs.

Staff counsel recommended that applicant's certificate be revoked. This position was supported by Western Airlines and the City of Long Beach. It was emphasized that applicant may never obtain authority from the City of Long Beach and that the basis for issuing

the authority two years ago may no longer exist. It was argued that applicant should file a new application and current testimony and plans if they receive authorization to use the airport.

The representative from the Long Beach Airport Improvement Committee favored applicant's position. He stated there are indications that the City Council may change its position in the near future.

Findings

1. On January 18, 1972 the Commission issued an order which revoked applicant's authority to serve the City of Long Beach.
2. The order was stayed on February 15, 1972, when applicant requested a public hearing.
3. Applicant's certificates to serve Long Beach were granted in 1968 and 1970, but have never been activated since the City Council has never permitted applicant to use the airport.
4. Applicant requests that its authority to serve Long Beach be continued for two years to provide time to negotiate with the City.
5. There is no evidence to indicate that the City Council will change its position.

Based on the findings and the record herein, we conclude that Decision No. 79601 should be affirmed.

O R D E R

IT IS ORDERED that Decision No. 79601, dated January 18, 1972, is affirmed.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 25th day of OCTOBER, 1972.

Vernon L. Sturgeon
President

J. P. McKinnis
John J. [unclear]
[unclear]
Commissioners

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