

ORIGINAL

Decision No. 80684

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
 of PSA, Inc., and Pacific )  
 Southwest Airlines for an Order )  
 authorizing them to enter into )  
 and consummate a Plan of )  
 Reorganization and for an )  
 Exemption from Sections 816 - )  
 853 of the Public Utilities )  
 Code )

Application No. 53633  
 (Filed October 10, 1972)

O P I N I O N

PSA, Inc. seeks authority to control Pacific Southwest Airlines, and the applicants seek exemption from the "Stocks and Security Transactions" and "Transfer or Encumbrance of Utility Property" provisions (Sections 816-853) of the Public Utilities Act.

Pacific Southwest Airlines is a passenger air carrier as defined in the Passenger Air Carriers' Act (Sections 2739, et seq., of the Public Utilities Code). PSA, Inc., a Delaware corporation incorporated on March 8, 1972, proposes to acquire control of Pacific Southwest Airlines pursuant to a Plan and Agreement of Reorganization whereby, among other things, the latter would become a wholly owned subsidiary of the former.

Effective March 4, 1972, Section 854 became a part of the California Public Utilities Code, and 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."

By Decision No. 80485, dated September 12, 1972, in Case No. 9267 the Commission discontinued a proceeding entitled "Investigation on the Commission's own motion to determine its jurisdiction over security issues of passenger air carriers." Upon discontinuing the investigation the Commission terminated exemptions granted by Decision No. 80097, dated May 31, 1972, in the same proceeding. In order to avoid any undue delays or any questions arising as to the validity of securities issued or reserved or property encumbered applicants filed this application as a precautionary measure. In addition to seeking authority under said Section 854, applicants desire exemptions which the Commission may grant pursuant to Sections 829 and 853 of the Public Utilities Code.

After consideration the Commission finds that: (1) control of Pacific Southwest Airlines by PSA, Inc. would not be adverse to the public interest, and (2) the application of

Sections 816-852 of the Public Utilities Code to PSA, Inc. and Pacific Southwest Airlines is not necessary in the public interest. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

Nothing in this decision shall be construed as a grant of any authorization or exemption pertaining to the Passenger Air Carriers' Act, or as a determination of public utility status of either applicant.

O R D E R

IT IS ORDERED that PSA, Inc. may control Pacific Southwest Airlines in accordance with a Plan and Agreement of Reorganization substantially in the form attached to the application as Exhibit 1 of Exhibit A.

IT IS FURTHER ORDERED that PSA, Inc. and Pacific Southwest Airlines are exempt from the provisions of Sections 816-852 of the California Public Utilities Code.

The effective date of this order is the date  
hereof.

Dated at San Francisco, California,  
this 51<sup>st</sup> day of OCTOBER, 1972.

Simon L. Stenger  
President  
William J. ...  
...  
...  
Commissioners