

**ORIGINAL**

Decision No. 82103

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC SOUTHWEST AIRLINES for a  
certificate of public convenience  
and necessity in either direction  
between San Francisco/Stockton/Fresno,  
and Los Angeles with through and  
connecting service to San Diego and  
Sacramento and to overfly Stockton  
or Fresno.

Application No. 52291

ORDER OF MODIFICATION

By Petition for Modification filed October 30, 1973  
Pacific Southwest Airlines (PSA) seeks an order from the Commission  
which would suspend, on a temporary emergency basis, those conditions  
contained in PSA's certificate of public convenience and necessity  
which set forth the minimum number of trips to be operated on certain  
of its routes.

The applicant alleges that, pursuant to the Economic Stabi-  
lization Act as amended by PL 93-28, the President of the United  
States through his delegate, the Energy Policy Office, has issued and  
adopted a mandatory fuel allocation program which went into effect  
on November 1, 1973. The proposed program was published on  
August 13, 1973 in the Federal Register. The new Energy Policy Office  
regulations may be found in Chapter XIII, Title 32A CFR. Under this  
program PSA will receive, beginning November 1, 1973, the same amount  
of fuel it received in 1972, month by month.

The applicant further alleges that, as a result of said  
fuel allocation program, PSA must curtail the number of its flights  
by something more than 10 percent because it can conduct less than  
90 percent of its present flight schedules with the 1972 level of  
jet fuel supply.

The conditions prescribing the number of minimum trips on PSA routes are as follows:

Route 6

Ontario - San Francisco  
Four round trips per day

Route 7

San Jose/Oakland - Burbank  
Four round trips per day

Route 8

San Diego - Ontario  
Two round trips per day

Route 9

San Francisco - Sacramento  
Four round trips per day

Route 15

Burbank - Sacramento (nonstop)  
Two round trips per day

Route 22

San Francisco - Fresno - Los Angeles  
Two round trips per day

Route 23

San Francisco - Stockton - Fresno - Los Angeles  
Two round trips per day

In view of the emergency, the Commission finds that the requested authority should be granted on an interim basis pending a public hearing.

IT IS ORDERED that:

1. PSA's certificate of public convenience and necessity is amended so as to suspend, pending further order of this Commission, the minimum number of round trips on Routes 6, 7, 8, 9, 15, 22, and 23.

2. PSA's certificate of public convenience and necessity as set forth in Appendix A of Decision No. 79085, as amended, is further amended by incorporating Second Revised Pages 3, 4, and 5, attached hereto, in revision of First Revised Pages 3, 4, and 5.

Further hearings will be scheduled in this matter before Commissioner Sturgeon and/or Examiner Daly at 10:00 a.m. on November 19, 1973 in the Commission Courtroom, San Francisco.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 7<sup>th</sup> day of NOVEMBER, 1973.

Leslie L. Sturgeon  
President

William J. Quinn  
Commissioners

I concur in part & dissent in part  
J. M. Harris, Commissioner

I concur in part & dissent in part  
W. J. Quinn, Commissioner

Appendix A  
(Dec. 79085)

PACIFIC SOUTHWEST AIRLINES  
(a corporation)

Second Revised Page 3  
Cancels  
First Revised Page 3

Restrictions

Route 1

No service of any type shall be operated between any of these five points and any other points authorized in other routes by the Commission, except through service between San Diego and San Jose via Los Angeles, through service between San Diego and Sacramento via Los Angeles, and the through service authorized in Route 19.

Routes 2 and 3

These route authorizations are limited to the specific segments of each route, except for the tacking of Route 3 and Route 9 to provide direct service between Burbank and Sacramento via San Francisco as provided in the Restriction on Route 9.

Route 4

This route authorization is limited to the specific segment of Route 4, except for through service from San Jose to San Diego via Los Angeles.

Route 5

This route authorization is limited to the specific segment of Route 5, except for through service from Sacramento to San Diego via Los Angeles.

Route 6

- #1. Requirement for minimum number of trips suspended temporarily.
2. No nonstop service may be operated between Ontario International Airport (ONT) and any other points served by Pacific Southwest Airlines under other authorization with the exception of San Diego.

Issued by California Public Utilities Commission.

#Added by Decision No. 82103, Application No. 52291.

Route 7

- #1. Requirement for minimum number of trips suspended temporarily.  
2. This route authorization is limited to the specific segments of Route 7.

Route 8

#Requirement for minimum number of trips suspended temporarily.

Route 9

Passengers shall be transported in either direction in nonstop service at a minimum of four scheduled round trips daily. All service to Sacramento Metropolitan Airport from any other points already served by Pacific Southwest Airlines must be provided via San Francisco International Airport, except for the nonstop service authorized between Los Angeles International Airport and Sacramento Metropolitan Airport. #Requirement for minimum number of trips suspended temporarily.

Routes 10, 11, 12, and 13

Service between the points authorized on these routes shall not be connected, combined or operated in combination with points or routes previously authorized, or with each other except as herein provided. Route 10 may be connected with Routes 11, 12, or 13 at Long Beach to provide through service to passengers as follows:

San Diego - Long Beach - Oakland  
San Diego - Long Beach - San Francisco  
San Diego - Long Beach - San Francisco  
(intermediate point per  
Route 13) - Sacramento

The points herein authorized must be operated as specified; no over flights of points authorized shall be permitted.

Route 14

Service between the points authorized on this route shall not be connected, combined or operated in combination with points or routes previously authorized. The points herein authorized must be operated as specified; no over flights of points authorized shall be permitted.

Issued by California Public Utilities Commission.

#Added by Decision No. 82103, Application No. 52291.

Route 15

1. Service between the points authorized on this route shall not be connected, combined or operated in combination with any other authorized points or routes.
- #2. Requirement for minimum number of trips suspended temporarily.

Route 16

Service between the points authorized on this route shall not be connected, combined or operated in combination with any other authorized points or routes.

Route 17

Service between the points authorized on this route shall not be connected, combined or operated in combination with any other authorized points or routes.

Route 18

Service between the points authorized on this route shall not be connected, combined or operated in combination with any other authorized points or routes.

Route 19

Service between the points authorized on this route shall not be connected, combined or operated in combination with any other authorized points or routes.

Route 20

Service between the points authorized on this route shall not be connected, combined or operated in combination with any other authorized points or routes.

Route 21

Service between the points authorized on this route shall not be connected, combined or operated in combination with any other authorized points or routes.

Routes 22 and 23

#Requirement for minimum number of trips suspended temporarily.

Issued by California Public Utilities Commission.

#Added by Decision No. 82103, Application No. 52291.

COMMISSIONER J. P. VUKASIN, JR., Concurring in Part and  
Dissenting in Part:

While it is appropriate for this Commission to consider authorization of temporary reduction in intrastate air service provided by Pacific Southwest Airlines (PSA) because of the Federal fuel rationing program (referred to by the Energy Policy Office as a "mandatory fuel allocation program"), the foregoing order is deficient in that it fails to put the applicant and all interested parties on notice that the Commission specifically intends to fully exercise its jurisdiction and responsibility under the California Passenger Air Carriers Act.<sup>1/</sup>

The California Public Utilities Commission has the responsibility to provide for the "orderly, efficient, economical, and healthy intrastate" transportation of passengers by air "to the benefit of the people of this State, its communities, and the State itself."<sup>2/</sup> (Section 2739, Public Utilities Code). The mandate of "orderly, efficient, economical, and healthy" intrastate passenger air service requires more than merely agreeing to the elimination or reduction of service, without full consideration of the effects of such cutbacks.

On the basis of the raw data thus far supplied by PSA, it appears that PSA is proposing a 50 percent reduction in service between Los Angeles International Airport (LAX) and Fresno, whereas it is proposing only a 6.5% reduction between LAX and San Francisco

<sup>1/</sup> Chapter 4, Part 2, Division 1, Sections 2739 through 2769.5, California Public Utilities Code.

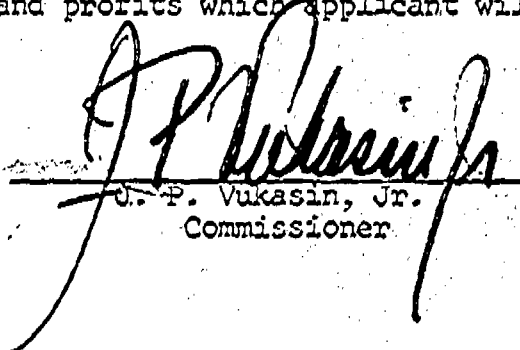
<sup>2/</sup> Emphasis added.

Airport, this small reduction in the LAX-SFO route despite the fact that there is adequate number of other carriers available to help relieve air congestion. Further, it appears that PSA proposes to reduce its service between Hollywood/Burbank Airport and San Jose by 18.8% but proposes to reduce the Hollywood/Burbank-San Francisco Airport service by only 2.1%. Rather than allowing PSA to arbitrarily select those routes and those communities which will suffer the reductions in service, the Commission should affirmatively demand of the applicant that it explain the reasoning and the policies upon which it determines which services will be cut. Proper concern for "the benefit of the people of this State, its communities, and the State itself" would require the Commission to make an independent judgment regarding the public convenience in making these decisions rather than merely defer to the economic self-interest of PSA.

Additionally, it should be noted that pursuant to authorization granted by this Commission PSA increased its fares September 5, 1973. Now, just a little over two months later it proposes to decrease its intrastate service by 10 percent which inevitably will result in reduced operating expenses, higher load factors, and, therefore, additional increased profits. The foregoing order fails to take into consideration the fare reduction which should be instituted in order to pass on to the traveling public of this State the benefits of the increased operating efficiencies and profits which applicant will realize.

San Francisco, California

November 7, 1973

  
J. P. Vukasin, Jr.  
Commissioner



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D. W. HOLMES, COMMISSIONER, Concurring in part, and Dissenting  
in part:

I concur in the basic concept expressed in this order that Pacific Southwest Airlines must by necessity conserve flight fuels. I find it commendable that the company is proceeding on a voluntary basis. It is also obvious that the most expeditious way to conserve fuel is through the elimination of certain flights.

My dissent to this order is based on what appears to be an improper criterion established by the company for the elimination of flights. It is obvious that the standard being used is in the elimination of the less compensatory routes.

This Commission, adhering to well-established regulatory principles, has long held that the public convenience and necessity must be a primary factor of consideration in both the granting and the elimination of passenger routes of regulated carriers. Potentially, this order would allow the company to completely eliminate all of the service presently extended to the Fresno area and, additionally, to the Stockton area. This Commission must be careful to insure that the present energy crisis does not become a vehicle for the elimination of unprofitable routes

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by the regulated passenger carriers at the expense of the traveling public. It would seem to me that a proper curtailment would include the elimination of auxiliary flights in the more heavily traveled areas, either unilaterally or, hopefully, in concert with competing carriers flying such well-patronized routes.

  
Commissioner

San Francisco, California  
November 7, 1973