

ORIGINAL

Decision No. 82138

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
AIR CALIFORNIA for Temporary  
Suspension of Route Restrictions  
on its Certificate of Public  
Convenience and Necessity.

Application No. 53441  
(Filed November 5, 1973)

ORDER OF MODIFICATION

By its petition filed November 5, 1973 Air California requests that its certificated authority be amended by temporarily suspending, on an emergency basis, the minimum number of daily round trip schedule requirements set forth therein.

It is alleged that the Director of the Energy Policy Office of the Federal Government has issued regulations for the mandatory allocation of jet fuel; that the allocation will affect all airlines operating jet powered aircraft in the United States; that at the present time each operator will be entitled to receive no more fuel than the amount used during the corresponding month of 1972; that as a result petitioner will be required to reduce the number of flight hours from its present schedule by approximately eight percent; and that temporary suspension of the minimum frequency requirements would enable petitioner to adjust its flight hours and fuel needs to meet the greatest passenger demands.

After consideration the Commission finds that the requested authority should be granted on an interim basis pending a public hearing.

IT IS ORDERED that:

1. Pending further order of this Commission the minimum number of round trip requirements as set forth in Appendix A of Decision No. 80439 are suspended.

2. Appendix A of Decision No. 80439 is amended by substituting Third Revised Page 4, attached hereto and by reference made a part hereof, in place of Second Revised Page 4.

Public hearing on this petition will be held before Commissioner Sturgeon and/or Examiner Daly at 10:00 a.m. on November 26, 1973 in the Commission Courtroom, San Francisco.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of NOVEMBER, 1973.

Vernon L. Sturgeon  
President  
William Synovis, Jr.

[Signature]  
[Signature]  
Commissioners

I concur in part and dissent in part  
[Signature], Commissioner

af

Appendix A  
(Dec. 80439)

AIR CALIFORNIA  
(a corporation)

Third Revised Page 4  
Cancels  
Second Revised Page 4

CONDITIONS

#Requirements for minimum number of round trips are  
suspended temporarily.

Issued by California Public Utilities Commission.

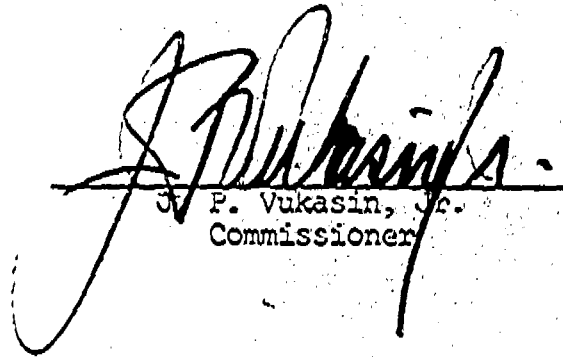
#Revised by Decision No. 82138, Application No. 53441.

D. 82138    A. 53441    KB

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

For the reason set forth in my Concurring and Dissenting  
Opinion in Decision No. 82103 in Application No. 52291, copy  
attached hereto, I concur in the Commission's decision to consider  
appropriate reduction in air service because of the fuel shortage,  
but again wish to state my strong conviction that the Commission  
should consider public convenience and necessity as the paramount  
issue in any such reduction.

Attachment



J. P. Vukasin, Jr.  
Commissioner

San Francisco, California

November 13, 1973

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.

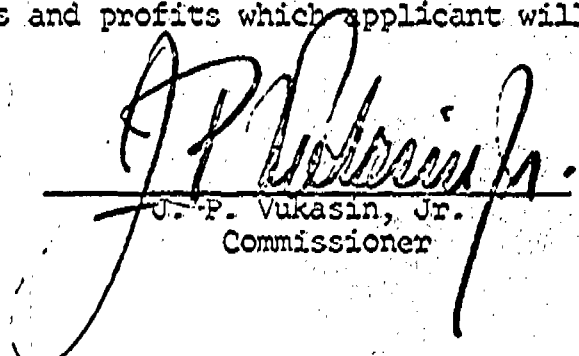
<sup>2/</sup> Emphasis added.

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