

**ORIGINAL**Decision No. 82631

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 transport local passengers between all airports on Holiday's system where flights can be operated subject to the condition that all flights shall originate or terminate at Lake Tahoe.

Application No. 53266  
(Filed April 14, 1972)

OPINION AND ORDER GRANTING REHEARING

On September 14, 1973, the Commission issued Decision No. 81893 in the above-entitled matter. In that decision, we removed the condition in Holiday Airlines' (Holiday) certificate of public convenience and necessity which required that all passengers either originate or terminate at Tahoe Valley Airport (TVL).

Pacific Southwest Airlines (PSA), protestant in that proceeding, has filed a petition for rehearing of Decision No. 81893. Air California (Air Cal), also a protestant therein, has filed a petition for rehearing and/or modification of the decision. Both petitioners claim that the Commission has erred by failing to require Holiday to make a showing of public need for local passenger service in the northern California-southern California corridor, and by failing to make a finding regarding such public need.

PSA argues that applicant needs a grant of new route authority if it is to transport local passengers in the corridor. It reasons that such transportation constitutes an "operation" within the meaning of Section 2752, that a certificate is therefore required, and that Section 2753 specifies that public need for the service must be considered prior to the grant of a certificate.

The Commission finds this argument to be persuasive. Holiday, by this application, has attempted to remove a restrictive condition in an existing certificate, so that it might carry local passengers between northern and southern California. However, no showing of public need has ever been made by Holiday for the service. Section 2753 specifically requires that the Commission shall take into consideration "the need for the service" prior to the grant of the certificate of public convenience and necessity. Holiday should not be allowed to escape that requirement in this proceeding.

The Commission has considered the other allegations of petitioners and is of the opinion that they are unmeritorious.

IT IS ORDERED that rehearing of Decision No. 81893 is hereby granted limited to the issue of the public need for local service in the northern California - southern California corridor, and that a hearing be held before such Examiner and at such time and place as shall be hereinafter designated.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 26<sup>th</sup> day of MARCH, 1974.

Vernon L. Sturgeon  
President  
William J. Squire, Jr.  
Shirley M. [illegible]  
[illegible]  
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.