

Decision No. 84138

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of AIR CALIFORNIA for a certificate of public convenience and necessity to operate as a passenger air carrier between Los Angeles, San Jose, and Lake Tahoe, or in the alternative, for an order, pursuant to Section 2767, exempting Air California from the certificate provisions of the Public Utilities Code.

Application No. 55485  
(Filed February 6, 1975)

Application of the CITY OF SOUTH LAKE TAHOE urging the exemption of a passenger air carrier from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code due to the cessation of all scheduled commercial air services to said city.

Application No. 55487  
(Filed February 10, 1975)

Application of Pacific Southwest Airlines for authority to provide passenger air service between San Francisco/San Jose/Oakland and Sacramento, on the one hand, and Lake Tahoe, on the other hand, with connecting and direct service to Los Angeles, Hollywood-Burbank, Long Beach, San Diego and Ontario.

Application No. 54899  
(Filed May 17, 1974;  
amended February 13, 1975)

INTERIM OPINION

In Application No. 55485 applicant Air California (Air Cal), a California corporation and passenger air carrier, requests, pursuant to Section 2767 of the Public Utilities Code, that the Commission exempt Air Cal from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code to serve Tahoe Valley Airport through San Jose to and from the points it is presently authorized to serve (San Diego, Palm Springs, Orange County, Ontario, and Oakland), and to and from Los Angeles. Air Cal represents that Holiday Airlines (Holiday), the only passenger air carrier authorized by this Commission to serve the Tahoe Valley Airport, returned to the Federal Aviation Agency the certificates of airworthiness covering the only two planes Holiday operated and ceased operations on February 6, 1975. Since that date there has been no passenger air carrier service into or out of the Tahoe Valley Airport. Air Cal maintains it is fit, willing, and able to conduct passenger air service between the Tahoe Valley Airport and the requested points. It proposes to fly a minimum of one round trip per day between Los Angeles and Tahoe Valley Airport through San Jose. It will use Lockheed L-188 Electra aircraft and for that reason contends that Rule 17.1 of the Commission's Rules of Practice and Procedure does not apply as the proposed service will merely replace the service provided by Holiday which flew only Electras.

In Application No. 54899, as amended, Pacific Southwest Airlines (PSA), a California corporation and passenger air carrier, requests, pursuant to Section 2767 of the Public Utilities Code that the Commission exempt PSA from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code to serve between the San Francisco International Airport and the Tahoe Valley Airport and between the San Jose Municipal Airport and the

Tahoe Valley Airport via the Oakland International Airport with the right to provide direct, connecting, and non-stop service to the Tahoe Valley Airport from the Los Angeles International Airport and connecting service to and from all other points it is authorized to serve. PSA alleges that Holiday recently ceased operations into and out of the Tahoe Valley Airport. PSA alleges that it is fit, willing, and able to conduct the proposed operation. It proposes to operate one round trip per day between San Francisco and the Tahoe Valley Airport and one round trip per day between San Jose and the Tahoe Valley Airport. It proposes to operate 727-100 jet aircraft in the service.

In Application No. 55487 applicant City of South Lake Tahoe (CSLT), a municipal corporation whose citizens are served by the Tahoe Valley Airport, urges that the Commission exempt a passenger air carrier from the certificate provisions in order that the latter may institute immediate service at that airport. CSLT does not support any particular carrier for the exemption but states that it is informed and believes that one or more air carriers are willing to provide, and are capable of providing, immediate, scheduled, commercial air services to Tahoe Valley Airport. As a basis for its request CSLT represents that until February 5, 1975 Holiday provided scheduled, commercial air services to the Tahoe Valley Airport; that no other passenger air carrier serves the airport; that on February 5, 1975 Holiday ceased all operations into and out of the Tahoe Valley Airport; that attached to its application is a copy of a telegram from Michael Gault, chairman of the board of Holiday, to the operators of the Tahoe Valley Airport which states that Holiday will suspend all operations in California on February 5, 1975; that attached to the application is a copy of a telegram from Gault which was sent to all employees

of Holiday placing them on furlough; that CSLT and the members of the public within the area represented by CSLT are now without scheduled commercial air services; that CSLT and members of the public within the area represented by CSLT have an immediate need for the services normally provided by a scheduled, commercial air carrier; and that compliance with the certificate provisions of Public Utilities Code Sections 2752, 2754, and 2754.1 would constitute an undue burden upon interested air carriers and the traveling public.

The applications for exemption are protested by Western Air Lines, Inc. (Western) which states that Western serves the Lake Tahoe area (North and South Shores) from California points through the Reno International Airport along with Hughes Airwest and United Air Lines, Inc. Western contends that a granting of the exemptions would have a detrimental effect on Western by diminishing Western's revenues which it receives from its service between California and the Reno International Airport.

The Commission's records show that Holiday was originally certificated to serve the Tahoe Valley Airport in 1966 and on February 5, 1975 was certificated to serve between that airport and Oakland International Airport, San Jose Municipal Airport, Los Angeles International Airport, Hollywood/Burbank Airport, and San Diego International Airport, with connections by air to other points. Commission records also reveal a telegram and letter addressed to the Commission from Michael Gault, chairman of the board of Holiday, which states that Holiday ceased operations indefinitely on midnight, February 5, 1975.

#### Findings

1. Holiday is the only passenger air carrier certificated by this Commission to serve the Tahoe Valley Airport.

2. Until February 5, 1975 Holiday was performing passenger air carrier service into and out of the Tahoe Valley Airport.

3. On February 5, 1975 Holiday ceased operations into or out of the Tahoe Valley Airport, such cessation continuing at least until the date of this order.

4. There is no scheduled passenger air service operating into or out of the Tahoe Valley Airport.

5. Applicant Air Cal will operate a Lockheed L-188 Electra in the proposed service and applicant PSA proposes to operate 727-100 jet aircraft in the service.

6. It would be contrary to the public interest and would place an undue burden upon the community of South Lake Tahoe, the traveling public, and applicants to require at this time that the certificate provisions of Sections 2752, 2754, and 2754.1 be adhered to because of the immediate need for service.

7. There is an immediate and urgent need for passenger air carrier service at the Tahoe Valley Airport to and from points where passenger air service was available prior to Holiday's cessation of air service.

8. Western serves the Reno International Airport which is some 65 miles from the City of South Lake Tahoe and experienced competition from Holiday.

9. Increased competition to Western resulting from a grant herein will be negligible.

10. The projects involved in the applications are required to maintain an essential public service and require emergency action by the Commission.

11. No showing has been made to warrant the institution of pure jet service in the scenic Lake Tahoe area.

Conclusions

1. A necessity exists which requires that Air Cal and PSA be exempted from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code to perform passenger air carrier service as set forth in the ensuing order.

2. It would be contrary to the public interest and would place an undue burden upon the community of South Lake Tahoe and the traveling public and applicants to require at this time that the certificate provisions of Sections 2752, 2754, and 2754.1 be adhered to because of the immediate need for service.

3. Service under any exemption granted herein should be limited to the operation of Lockheed L-188 Electras.

4. The project involved in the applications is the result of an emergency and does not require the filing by applicants of an Environmental Data Statement nor the compilation of an Environmental Impact Report if the services of both carriers are conducted with Lockheed L-188 Electra aircraft.

INTERIM ORDER

IT IS ORDERED that:

1. Air California is exempted from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code in the performance of the passenger air service set forth in Appendix A.

2. Pacific Southwest Airlines is exempted from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code in the performance of the passenger air carrier service set forth in Appendix B.

3. In providing service pursuant to the authority granted by this order, applicants shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.

- (a) Within ten days after the effective date of this order, applicants shall file a written acceptance of the exemption granted. By accepting the exemption applicants are placed on notice that they will be required, among other things, to file annual reports of their operations and to comply with the requirements of the Commission's General Orders Nos. 120-Series and 129-Series.
- (b) Within sixty days after the effective date of this order, applicants shall establish the authorized service and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective on or after the effective date of this order, and the effective date of the tariff filings shall be concurrent with the establishment of the authorized service.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 105-Series.

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4. The exemption granted herein shall expire ninety days from the date of this order unless sooner canceled, modified, or extended.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th  
day of FEBRUARY, 1975.

Vernon L. Sturgeon  
President  
William J. Lynum  
Donald Rose  
Commissioners



VP

Appendix A

AIR CALIFORNIA  
(a corporation)

Air California is exempted from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code in the performance of the passenger air carrier service between the following airports:

OAK-TVL  
SJC-TVL

Conditions

1. The operations at TVL shall be conducted with Lockheed L-188 Electra aircraft only.
2. Air California may establish via OAK and/or SJC only through routes and rates, charges and classifications between TVL and all points served by it under any and all certificates or operative rights issued to or possessed by it.
3. A minimum of one round-trip flight per day shall be operated between TVL and OAK and/or SJC.
4. The exemption granted herein shall expire 90 days from the date of the decision noted below, unless sooner canceled, modified or extended.
5. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
OAK	Oakland	Oakland International Airport
SJC	San Jose	San Jose Municipal Airport
TVL	South Lake Tahoe	Tahoe Valley Airport

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Appendix B

PACIFIC SOUTHWEST AIRLINES  
(a corporation)

Pacific Southwest Airlines is exempted from the certificate provisions of Sections 2752, 2754, and 2754.1 of the Public Utilities Code in the performance of the passenger air carrier service between the following airports:

BUR-TVL  
LAX-TVL  
BUR-LAX

Conditions

1. The operations at TVL shall be conducted with Lockheed L-188 electra aircraft only.
2. Pacific Southwest Airlines may establish via LAX and/or BUR only through routes and rates, charges and classifications between TVL and all points served by it under any and all certificates or operative rights issued to or possessed by it.
3. A minimum of one round-trip flight per day shall be operated between TVL and LAX and/or BUR.
4. The exemption granted herein shall expire 90 days from the date of the decision noted below, unless sooner canceled, modified or extended.
5. The following airports shall be used:

<u>Symbol</u>	<u>Location</u>	<u>Name</u>
BUR	Burbank	Hollywood/Burbank Airport
LAX	Los Angeles	Los Angeles International Airport
TVL	South Lake Tahoe	Tahoe Valley Airport

Issued by California Public Utilities Commission.

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