

Decision No. 84814**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application of AIR CALIFORNIA for a Certificate of Public Convenience and Necessity to provide passenger air service between Lake Tahoe, on the one hand, and Sacramento, San Francisco, San Jose, Orange County, Ontario, Palm Springs, and San Diego on the other hand, with the points other than Lake Tahoe being either terminal or intermediate points.

Application No. 55009

INTERIM OPINION

Applicants Air California (AirCal) and Pacific Southwest Airlines (PSA) separately request an extension of the exemption authority to serve South Lake Tahoe granted to each of them under Section 2767 of the Public Utilities Code in Decision No. 84449 dated May 20, 1975, or, in the alternative, that we issue to them a temporary certificate authorizing them to conduct passenger air carrier service to the same extent that they were permitted to perform service under the extended 90-day exemption authority, which expires on August 18, 1975. PSA also requests that such extended exemption authority or certificate authorize PSA to use Boeing 727-100

equipment on a trial basis in the operation. Both exemption authorities restrict the operations to the use of Lockheed Electra L-188 equipment.

Thirty days of hearings have been held on the applications on a consolidated record between September 19, 1974 and April 17, 1975 on which latter date hearings on the public convenience and necessity phase were completed. Still to be received into evidence is the draft environmental impact report presently under preparation by the Commission's staff. Further hearings may be held on the environmental phase. According to the Commission's Rule of Procedure 17.1 (f) (9) those hearings may not be held earlier than 60 days after submission of the draft EIR.

On February 6, 1975 Holiday Airlines (Holiday), the only passenger air carrier authorized to serve the South Lake Tahoe Airport, ceased operations and subsequently filed a petition in bankruptcy under Chapter 11 of the Federal Bankruptcy Act. Holiday was certificated to serve between, among other points, the South Lake Tahoe Airport and the airports serving the cities of Los Angeles (LAX), Hollywood-Burbank, San Diego, San Jose, and Oakland. The Commission on its own motion suspended Holiday's certificate. Shortly after Holiday ceased operations AirCal and PSA filed for exemption from the certificate provisions under Section 2767 of the Public Utilities Code to fill the void in service to and from South Lake Tahoe left by Holiday's cessation. Such exemption was granted by Decision No. 84138 and later extended by Decision No. 84449. The exemption permitted AirCal to render service between South Lake Tahoe, on the one hand, and on the other hand, San Jose and Oakland, and permitted PSA to operate between South Lake Tahoe, on the one hand, and on the other hand, Los Angeles and Hollywood-Burbank. Both AirCal and PSA instituted service shortly after the exemptions were granted and the Commission's records reflect that they have continued to render the

service. To date Holiday has not requested the suspension of its certificate be lifted. Because of the continuing unavailability of Holiday's service and the likelihood that preparation and consideration of the draft EIR as well as the taking of final action on the applications will extend well beyond 90 days from this date--the longest period for which we may grant an exemption under Section 2767 of the Public Utilities Code--a temporary certificate, in lieu of an exemption, should be granted to AirCal and to PSA.

Findings and Conclusions

1. AirCal and PSA have the financial resources at hand to conduct the proposed service.
2. AirCal and PSA have evidence of adequate insurance on file with this Commission.
3. AirCal and PSA have had extensive business experience in the conduct of passenger air carrier operations within the State of California.
4. AirCal and PSA are each equipped with Lockheed Electra L-188 aircraft which are capable and suitable for conducting the proposed operations.
5. AirCal and PSA can economically give adequate service to the communities between which each is authorized to serve.
6. Because the operations presently being conducted by AirCal and PSA to and from South Lake Tahoe are pursuant to temporary authorization, a minimum of only one round trip daily should be required by each air carrier between one of the several point pairs authorized.
7. A denial of the sought authority would leave the city of South Lake Tahoe and environs without any scheduled passenger air carrier service.
8. Final action by the Commission on the applications appears to be further away than 90 days.

9. The projects involved in the applications are required to maintain essential public services discontinued by Holiday and require emergency action by the Commission.

10. An environmental impact report on pure jet passenger air carrier service is essential before consideration will be given to the institution of such service.

11. Public convenience and necessity require the granting of a temporary certificate to AirCal and to PSA as set out in the ensuing order.

INTERIM ORDER

IT IS ORDERED that:

1. A temporary certificate of public convenience and necessity is granted to Pacific Southwest Airlines, a corporation, authorizing it to operate as a passenger air carrier, as defined in Section 2741 of the Public Utilities Code, between the points and over the routes set forth in Appendix A of this decision.

2. A temporary certificate of public convenience and necessity is granted to Air California, a corporation, authorizing it to operate as a passenger air carrier, as defined in Section 2741 of the Public Utilities Code, between the points and over the routes set forth in Appendix B of this decision.

3. The request of Pacific Southwest Airlines to operate Boeing 727-100 jet aircraft in this temporary operation at South Lake Tahoe is denied.

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

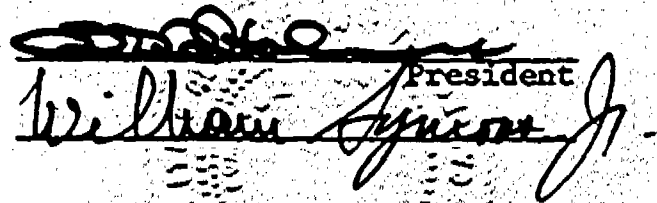
- (a) Within seven days after the effective date of this order, applicants shall file a written acceptance of the certificates granted. By accepting the certificates applicants are placed on notice that they will be required, among other things, to file annual reports of their operations and to comply with the requirements of the Commission's General Orders Nos. 120-Series and 129-Series.

- (b) Within thirty 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 not earlier than five days 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.

5. The authority granted herein shall expire on March 1, 1976 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 AUGUST, 1975.


President


Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Pacific Southwest Airlines by this temporary Certificate of Public Convenience and Necessity is authorized to operate as a passenger air carrier 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. Authority granted herein is temporary and shall expire on March 1, 1976 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.

Decision No. 84S14, Application No. 54899.

Air California by this temporary Certificate of Public Convenience and Necessity is authorized to operate as a passenger air carrier 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. Authority granted herein is temporary and shall expire on March 1, 1976 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

Issued by California Public Utilities Commission.

Decision No. S4S14, Application No. 55009.