

Decision No. 88528 FEB 22 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of SWIFT AIRE LINES, INC., a)
California Corporation to)
Suspend Service Over Route 7,)
SAN FRANCISCO-MODESTO-FRESNO)

Application No. 57838
(Filed January 27, 1978)

ORDER GRANTING SUSPENSION OF AIR SERVICE AT MODESTO

Swift Aire Lines, Inc. requests permission to suspend service over Route 7 (San Francisco-Modesto-Fresno) for a period of 90 days beginning March 5, 1978. During this 90-day period Swift Aire intends to assess the potential for its services at Modesto, review its operational procedures and consider reentering the market, or discontinuance of the San Francisco-Modesto-Fresno service per Section 2769.5 of the California Public Utilities Code.^{1/}

Swift Aire cites the following reasons for the suspension:

Low load factors

Low passenger volumes

Operating losses in this segment

Systemwide operating losses

Insufficient capital to continue service to Modesto until it is profitable

The staff of our Transportation Division analyzed the applicant's air service for the San Francisco-Modesto-Fresno segment and determined that the revenues derived from passenger volumes

^{1/}"2769.5. No passenger air carrier shall discontinue operations between any two or more terminals without authority of the commission, unless such operations are unprofitable. Unprofitable operations may be discontinued upon 60 days' notice to the commission, and to such other persons as the commission may require, unless within such 60-day period the commission, after hearing, makes a finding that such operation is not unprofitable and orders its continuance."

at Modesto were not sufficient to cover expenses allocated to these operations. A review of the segment data for the period, June through November 1977, shows an average monthly load factor of 28.3 percent. Swift Aire, excluding the Modesto segment, had a systemwide load factor of 59.3 percent during this period. Although Swift Aire offers an average of 55 flights per week in the Modesto market, it only averages approximately 148 passengers per week or 2.7 passengers per flight in this market.

Swift Aire has suffered systemwide losses in 1977. Applicant estimates that a suspension of its Modesto service will result in net savings which will permit it to continue service over all other routes. There are no protests to the suspension.

IT IS ORDERED that Swift Aire Lines, Inc. be authorized to suspend passenger air service at Modesto pursuant to Section 2766 of the Public Utilities Code for a period of ninety days effective March 5, 1978.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 22nd day
of FEBRUARY, 1978.

President

Veronica L. Sturgeon

Robert D. Swartz

Clair T. Deibel
Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.