

Decision No. 88886 MAY 31 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Southwest )	
Airlines for <u>ex parte</u> order )	Application No. 57971
authorizing special temporary )	(Filed April 4, 1978)
suspension of passenger air )	
service between Stockton and )	
San Francisco )	

ORDER GRANTING SUSPENSION OF AIR SERVICE  
BETWEEN STOCKTON AND SAN FRANCISCO

Pacific Southwest Airlines requests permission to suspend its passenger air service between Stockton and San Francisco for a period of ninety days beginning June 21, 1978. During the ninety-day suspension, PSA expects to enter into interline agreements, which may increase the demand for passenger air service between Stockton and San Francisco. If the interline agreement negotiations are successful, PSA may reinstitute air service between the two cities. There are no protests to this application.

PSA bases its request to suspend its air service on the following:

1. Low passenger volume
2. Low load factors
3. Operation losses in the market
4. Better utilization of flight equipment in other markets
5. Convenience of ground transportation and alternative air service

The staff of our Transportation Division analyzed PSA's air service for the Stockton-San Francisco segment. Based on the applicant's on-board load factor of 19.6 percent, well below its break-even systemwide load factor of sixty percent, PSA experienced substantial operating losses in its Stockton-San Francisco operation in 1977.

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Appendix A summarizes the Stockton - San Francisco air market before and after the proposed suspension. With PSA's proposed suspension of service, this market will be served by United and Airwest. Although the number of flights per week will decrease by twenty-eight, a wide range of flights and departure times will be offered. In addition, the number of empty seats flown by United and Airwest is more than enough to accommodate the passengers which formerly flew PSA (See Appendix A).

We put PSA on notice that we will look with disfavor on extending this order granting suspension. If PSA is not going to provide air passenger service between San Francisco and Stockton, its certificate should be amended to delete this operating authority. The certificates of passenger air carriers should reflect and contain only the authority operated, and should not reflect dormant or essentially abandoned authority.

The foregoing supports the conclusion that the suspension of PSA's air service will have a minimal impact on the level of air service offered between Stockton and San Francisco.

IT IS ORDERED that:

Pacific Southwest Airlines be authorized to suspend passenger air service between Stockton and San Francisco, pursuant to Section 2766 of the Public Utilities Code, for a period of ninety days, effective

A. 57971 - ANG \*

June 21, 1978. The effective date of this order is the ✓  
date hereof.

Dated at San Francisco, California, this 31st  
day of MAY, 1978.

Ralph Bateman  
President

William S. Jones, Jr.

Verion L. Stanger

Clarence P. Howell

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Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX ASTOCKTON-SAN FRANCISCO AIR MARKET

Carrier	O-D Passengers	On-Board Load Factor	Percent of Market	Flights Per Week
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1977 Market Distribution

PSA	13,890	19.6	26.0	28
United Airlines	30,324	68.4	56.9	35
Airwest	9,121	42.5	17.1	14

Estimated 1977 Market Distribution\*

United Airlines	41,002	75.3	76.9	35
Airwest	12,332	47.1	23.1	14

\* With PSA's Stockton to San Francisco Service suspended.