

AUG 22 1978

ORIGINALDecision No. 89300

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIR CALIFORNIA
for a certificate of public
convenience and necessity to
provide passenger air service
between Oakland, on the one
hand and San Jose, on the
other hand.

Application No. 58286
(Filed August 10, 1976)

In the matter of the application
of Pacific Southwest Airlines, a
California corporation, for a
Certificate of Public Convenience
and Necessity to provide passen-
ger air service between Oakland
and San Jose

Application No. 58292
(Filed August 11, 1978)

O P I N I O N

In Applications Nos. 58286 and 58292, Air California and Pacific Southwest Airlines (PSA), respectively, applied to the Commission for authority to provide passenger air service between Oakland and San Jose. Each applicant states that it will not protest the application by any other intrastate passenger air carrier for identical authority.

In Decision No. 89168, dated July 25, 1978, the Commission held that PSA's operations between San Diego and Oakland via San Jose were in violation of the Public Utilities Code and ordered PSA to cease such operations on or before August 8, 1978. In Decision No. 89223, dated August 8, 1978, the Commission found that Air California's operations between San Diego and Oakland via San Jose were also in violation of the Public Utilities Code and ordered Air California to cease such operations on or before August 22, 1978.

In Decision No. 89223, it was pointed out that the operation between San Diego and Oakland via San Jose was an efficient and economical one for both PSA and Air California and that each carrier holds authority to transport passengers nonstop and one-stop between San Diego and Oakland but not via San Jose. In addition, each carrier has tariffs on file for service between San Jose and Oakland, and each has the authority to transport passengers between San Jose and Oakland when both points are included in the same route.

Granting the applications will enable the carriers to tack the San Jose-Oakland route to their existing nonstop San Diego-San Jose route, thereby allowing the carriers to carry passengers between San Diego and Oakland via San Jose. This service will increase load factors and insure more efficient and economical utilization of fuel, equipment and facilities. PSA estimates that it will save approximately \$4,000 per day by such routing.

F I N D I N G S

1. Air California and PSA are passenger air carriers with authority to transport passengers between points over numerous routes within California, including routes which include both San Jose Municipal Airport and Oakland International Airport.

2. It can be seen with certainty that the proposals will not have a significant effect on the environment.

3. The San Jose-Oakland route will enable the carriers by the provisions of Section 2762 of the Public Utilities Code to transport passengers between San Diego and Oakland via San Jose and aid in the more efficient use of the carriers' aircraft and resources.

4. There is a public need for the San Jose-Oakland route.

5. Notice of the applications appeared on the Commission's Daily Calendar and copies were mailed to interested parties. There are no protests.

6. In order to avoid inconvenience to the public, the effective date of the order should be the date of signing.

Air California and PSA are placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the granting of such rights. Aside from their purely permissive aspect, such rights extend to the holders a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Air California, a corporation, authorizing it to operate as a passenger air carrier between San Jose and Oakland, as defined in Section 2741 of the Public Utilities Code. Appendix "A" of Decision No. 80439 is amended by incorporating Seventh Revised Page 3 attached hereto in revision of Sixth Revised Page 3.

2. A Certificate of Public Convenience and Necessity is granted to PSA, a corporation, authorizing it to operate as a passenger air carrier between San Jose and Oakland as defined in Section 2741 of the Public Utilities Code. Appendix "A" of Decision No. 79085 is amended by incorporating Ninth revised Page 2 attached hereto in the revision of Eighth revised Page 2.

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

Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. By accepting the certificate, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with the requirements of the Commission's General Orders Nos. 120-Series and 129-Series.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 27th
day of AUGUST, 1978.

Commissioner Richard D. Gravello, being necessarily absent, did not participate in the disposition of this proceeding.

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

Robert Batminal
President
William J. Synovis
Vernon L. Sturgeon

Commissioners

Appendix A
(Dec. 80439)

AIR CALIFORNIA
(a corporation)

Seventh Revised Page 3
Cancels
Sixth Revised Page 3

- Route 19 - Between Ontario International Airport, Fresno Air Terminal, San Jose Municipal Airport and Oakland International Airport.
- Route 20 - Between Orange County Airport, Fresno Air Terminal and Oakland International Airport.
- Route 21 - Between Lake Tahoe Airport, Fresno Air Terminal and Orange County Airport.
- #Route 22 - Between San Jose Municipal Airport and Oakland International Airport.

Issued by California Public Utilities Commission.

#Added by Decision No. 89300, Application 58286.

Routes (Continued)

19. Between San Diego International Airport and Sacramento Metropolitan Airport via intermediate point of Oakland Metropolitan International Airport.
20. Between San Diego International Airport and Sacramento Metropolitan Airport via intermediate point of Hollywood-Burbank Airport.
21. Between San Diego International Airport and Sacramento Metropolitan Airport via intermediate points of Hollywood-Burbank Airport and Oakland Metropolitan International Airport.
22. Between San Francisco International Airport and Los Angeles International Airport via Stockton Metropolitan Airport and Fresno Air Terminal, with San Francisco International Airport and/or Los Angeles International Airport being a terminal point on the route and with Stockton Metropolitan Airport and/or Fresno Air Terminal being served as intermediate points or as a terminal point on the route; and with the right to conduct direct and/or connecting service to San Diego International Airport from the Los Angeles International Airport, and to Sacramento Metropolitan Airport from the San Francisco International Airport.
23. Between San Francisco International Airport and San Diego International Airport via Stockton Metropolitan Airport and Fresno Air Terminal, with San Francisco International Airport and/or San Diego International Airport being a terminal point on the route and with Stockton Metropolitan Airport and/or Fresno Air Terminal being served as intermediate points or as a terminal point on the route.
24. Between Lake Tahoe Airport, on the one hand, and Sacramento Metropolitan Airport, San Francisco International Airport, Hollywood-Burbank Airport, Los Angeles International Airport and San Diego International Airport, on the other hand, with each of the last five named airports being either a terminal or intermediate point for this route.
25. Between San Francisco International Airport and Los Angeles International Airport via Monterey Peninsula Airport, with San Francisco International Airport and/or Los Angeles International Airport being a terminal point on the route and with Monterey Peninsula Airport being served as an intermediate point or as a terminal point on the route.
26. Nonstop between San Diego International Airport and San Jose Municipal Airport.
- #27. Between San Jose Municipal Airport and Oakland International Airport.

Issued by California Public Utilities Commission.

#Added by Decision No. 89300, Application No. 58292.