

Decision No. 89727 : DEC 12 1978**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of an Application of)
 Swift Aire Lines, Inc., a California)
 corporation to amend Route 8, San)
 Jose - Fresno, by eliminating the)
 minimum service required)

Application No. 58333
 (Filed September 5, 1978)

O P I N I O N

Swift Aire Lines, Inc., (Swift), a passenger air carrier certificated by this Commission, was authorized by Decision No. 87550, dated July 6, 1977 in Application No. 54327, to serve over a route designated Route 8 between San Jose and Fresno. Service on this route was subject to the following conditions:

"Route 8 shall be served with a minimum of two flights in each direction each day except Saturdays, Sundays and holidays when aircraft having a seating capacity of not less than 25 or more than 30 passengers are used. Whenever aircraft having a seating capacity of fewer than 25 passengers are scheduled, no fewer than three flights in each direction shall be operated on each day except Saturdays, Sundays and holidays."

Swift requests by this application that the minimum service restrictions be eliminated from its certificate. In support of its request Swift states that during the first year of operations between San Jose and Fresno, it was able to generate a load factor of 51%. For that period, Swift was the only air carrier serving the market. It provided service with 15-passenger aircraft at peak travel times, i.e., early morning and early evening flights in both directions, with an additional flight or two during the day.

Swift's concern is that Air California now has entered the market, providing service with large aircraft at peak travel times. Swift contends that this will lower its load factor in this market to the extent that three round trips per day will be unfeasible.

The Commission staff's analysis verifies Swift's statements. The Official Airline Guide (OAG) shows that Swift's schedules between San Jose and Fresno have been at prime times in both directions and that the carrier has offered at least three flights per day in accordance with its certificate. The OAG for November 1978 shows that Air California has scheduled three northbound and two southbound flights per day. Two of the northbound flights depart within 20 minutes of Swift's prime time flights and the morning southbound flight departs 35 minutes later than Swift's.

Given the passenger preference for large jet aircraft over small aircraft such as those used by Swift, and given the similar schedules of the two carriers, it is reasonable to assume that Swift's load factor will decrease in the San Jose-Fresno market. The three flight minimum restriction will be an impediment to Swift in performing its overall operations and is not in the public interest. Swift Aire's certificate should be revised eliminating the minimum service requirement on Route 8.

In view of the fact that Air California is already serving the San Jose-Fresno market, immediate relief is in the best interest of Swift in order to minimize its losses on this route. For this reason, we will make the order effective on the date of signing.

O R D E R

IT IS ORDERED that:

1. The minimum flight restrictions for Route 8 of Swift Aire Lines, Inc., as set forth in Appendix A of Decision No. 77794, as amended, ~~is~~ hereby eliminated. Appendix A of Decision No. 77794 is amended by incorporating Ninth Revised Page 2 attached hereto in

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revision of Eighth Revised Page 2.

2. The effective date of this order is the date hereof.

Dated at San Francisco, California, this 12th day
of DECEMBER, 1978.

Robert Bateman
William Lyons
Vernon L. Sturgeon
Richard A. Kowalski
Clair J. Decker

RR

Appendix A (Alt)
(Dec. 77794)

SWIFT AIR LINES, INC.

Ninth Revised Page 2
Cancels
Eighth Revised Page 2

Route 8 - SAN JOSE-FRESNO
SJC-FAT

Conditions

1. Authority granted herein is limited to passenger air carrier operations over the specific routes and between the airport pairs listed thereunder as described above.
2. Operation between an airport on one route and an airport on any other route shall not be provided except via authorized routes through airports that are common to the connecting routes.
3. Each airport shall be served with a minimum of one flight in each direction on each of seven days a week, except:
 - a. On Route 2 PRB shall be served with a minimum of one flight in each direction on each of five days a week.
 - b. Airports on Route 3, Route 4, Route 5 and Route 6 shall be served with a minimum of one flight in each direction on each of five days a week.
 - c. Route 7 shall be served with a minimum of two flights in each direction each day except Saturday, Sunday and holidays.
 - #d.

Issued by California Public Utilities Commission.

#Restriction 3 d. eliminated by Decision No. 89727, Application No. 58323.