

ORIGINAL

Decision No. 59929

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of PACIFIC AIR LINES, INC., for)	
authority to make certain changes)	Application No. 41983
in its intrastate passenger)	
fares, resulting in increases.)	

OPINION AND ORDER

Pacific Air Lines, Inc., is an airline engaged in the transportation of passengers and property by air between points located in California as well as in other states.¹ By application filed February 25, 1960, it seeks authority to cancel round-trip and circle-trip discounts on first-class transportation and to establish a provision that the fare applicable to transportation of a child 5 years of age or over, but who has not reached his 12th birthday and who is not accompanied by a passenger at least 12 years of age, shall be the full adult fare. The proposed changes in fare structure would result in increases for which authority from the Commission is required under Article XII, Section 20 of the Constitution of the State of California.

In 1958 the Civil Aeronautics Board authorized domestic airlines to discontinue round-trip discounts. Applicant exercised this authority in connection with its interstate fares on December 10, 1959.² On September 30, 1959, pursuant to authority from the Civil Aeronautics Board, applicant established the adult

1 Pacific Air Lines, Inc., was formerly Southwest Airways Co.
 2 United Air Lines, Western Air Lines, Trans World Airlines, Inc., American Airlines and Bonanza Air Lines were authorized by the Commission to cancel round-trip and circle-trip discounts, by Decision No. 57990, 56 Cal. P.U.C. 779 (1959).

fare for unaccompanied children. It seeks here to make its intra-state fare structure consistent with its interstate fares.

A profit and loss statement for the 11 months ended November 30, 1959, shows that the applicant had a total operating revenue of over 6 million dollars and a total operating expense of over 8 million. Applicant received federal subsidy of over 2 million. The small increase in revenue which would result from the proposed changes in fare structure will not significantly change the operating results of the carrier.

Upon consideration of all of the facts, the Commission is of the opinion and finds that the increases resulting from the proposed fare adjustments are justified. A public hearing is not necessary; therefore,

IT IS ORDERED that Pacific Air Lines, Inc., is authorized to establish, on not less than five days' notice to the Commission and to the public, the following changes in its fare structure:

1. Provision that fare applicable to transportation of a child 5 years of age or over, but who has not reached his 12th birthday, and who is not accompanied by a passenger at least 12 years of age, shall be the full adult fare.
2. Cancellation of round-trip and circle-trip discounts applicable to first-class transportation.

IT IS FURTHER ORDERED that the authority granted herein shall expire unless exercised within sixty days after the effective date of this order.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 18th day of April, 1960.

[Signature]
President

[Signature]

[Signature]

Theodore Jensen
Commissioners