

ORIGINALDecision No. 67023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC AIR LINES, INC. for Order)
 authorizing a decrease of certain)
 intrastate air passenger fares and)
 authority for short notice filing)
 pursuant to applicable statute and)
 regulations.)

Application No. 46195
 (Filed February 13, 1964, and
 Amended February 17, 1964)

O P I N I O N

Pacific Air Lines, Inc. seeks authority to publish a reduced round-trip excursion fare of \$34.00 between San Jose and Los Angeles/Burbank on less than statutory notice, and to cancel its round-trip excursion fare between Monterey and Los Angeles/Burbank. Applicant also seeks to amend related rules applying in connection with the excursion fares.

Applicant maintains round-trip excursion fares as follows:

<u>Between</u>	<u>And</u>	<u>Fare</u>	<u>Routing</u>
San Jose	Los Angeles/Burbank	\$39.90	Direct
Monterey	Los Angeles/Burbank	37.40	Direct

The application states that the reduced round-trip fare is sought in order for Pacific to compete with the lower fares of airlines serving between San Francisco and Los Angeles/Burbank. Applicant believes that large numbers of passengers in the San Jose area who would otherwise use the San Jose airport for trips between San Jose and Los Angeles or Burbank are attracted to San Francisco because of the low fares available at that point. The application states that while Pacific cannot at this time meet the low fares maintained by other airlines for San Francisco-Los Angeles service, it proposes to reduce its round-trip excursion fare to the point where potential San Jose passengers will find it less economical to travel to San Francisco airport.

The sought \$34.00 round-trip fare between San Jose and Los Angeles/Burbank is less than the published fare of \$37.40 between the intermediate point of Monterey and Los Angeles/Burbank. The application states that the cancellation of the Monterey-Los Angeles/Burbank fare is proposed in order to comply with the provision of Article XII, Section 21, of the Constitution of the State of California, in that such cancellation will eliminate a charge of a greater amount for a shorter than for a longer distance.

Applicant requests that its application be acted upon without hearing in order that the reduced fare may be established at the earliest possible time. The application shows that it has been served in accordance with Rule 4.3 of General Order No. 105-A. The Commission's Transportation Division staff recommends that the application be granted without hearing, but urges that the Monterey-Los Angeles/Burbank fare be retained at a fare level no higher than the reduced San Jose-Los Angeles/Burbank fare. No protest to the application has been received.

The Commission finds that applicant should be authorized to establish the reduced excursion fare between San Jose and Los Angeles/Burbank and the related rule change on less than statutory notice. However, with respect to the proposed cancellation of the Monterey-Los Angeles/Burbank excursion fare, no justification appears except that such fare cancellation would remove a potential violation of the long- and short-haul provision of the State Constitution. Such potential violation also can be removed by publication of a fare between Monterey and Los Angeles/Burbank on a level no higher than the reduced fare between San Jose and Los Angeles/Burbank. In the circumstances, the Commission finds that cancellation of the

excursion fare between Monterey and Los Angeles/Burbank has not been shown to be justified. The authority to publish the reduced San Jose-Los Angeles/Burbank excursion fare granted herein will be subject to concurrent publication of a reduced excursion fare between Monterey and Los Angeles/Burbank on a level no higher than the excursion fare between San Jose and Los Angeles/Burbank.

This is a matter in which a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Applicant, Pacific Air Lines, Inc., is authorized to establish a reduced round-trip excursion fare of \$34.00 between San Jose and Los Angeles/Burbank and related rule changes as proposed in the application herein. This authority is subject to the express condition that applicant concurrently establish a round-trip excursion fare and related rule change for service between Monterey and Los Angeles/Burbank on a level no higher than the reduced round-trip excursion fare established between San Jose and Los Angeles/Burbank.

2. Applicant is authorized to publish and file the fares hereinabove authorized on not less than three days' notice to the Commission and to the public.

3. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

4. Except to the extent granted herein, Application No. 46195 is denied.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 3rd day of March, 1964.

[Signature] President
[Signature]
[Signature]
[Signature]
[Signature] Commissioners

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