

ORIGINAL

Decision No. 68878

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of
CATALINA AIR LINES, INC.
for order authorizing increase
of certain local intrastate
passenger fares.

Application No. 47156
(Filed December 1, 1964)

OPINION AND ORDER

By the application herein, Catalina Air Lines, Inc. (applicant), formerly known as Avalon Air Transport, Inc., seeks (1) to increase local passenger fares for services between Long Beach Harbor and Avalon Bay; (2) to increase local passenger fares between Long Beach Airport and Avalon Bay; (3) to delete fares between Los Angeles and Avalon Bay; and (4) to cancel its excursion rates.

Applicant has heretofore filed its tariffs in accordance with General Order No. 105-A.

Applicant's financial statement for the 12 months ending September 30, 1964, attached to the application, shows that it incurred a loss from its operations of \$20,106 for said period.

Applicant included in the application estimates of the operating results for the year 1965 under present and proposed

fares. These estimates are as follows:

<u>Item</u>	<u>Present Fares</u>	<u>Proposed Fares</u>
Revenues	\$460,000	\$478,600
Operating Expenses		
Flight Expense	90,000	88,000
Maintenance	130,000	128,000
Station Expense	113,000	111,000
Insurance	21,000	21,000
Administration	<u>100,000</u>	<u>100,000</u>
Total	454,000	448,000
Depreciation	<u>23,000</u>	<u>23,000</u>
Total Operating Expense	<u>477,000</u>	<u>471,000</u>
Net Before Income Tax	(17,000)	7,600
Income Tax	0	1,998
Net Operating Income	(17,000)	5,602
Operating Ratio		
After Income Tax	103.7%	98.9%

(Red figure)

The Commission's staff made studies of the operations of applicant, which studies are hereby made a part of this record and identified as Exhibits 1 and 2. The study by the Transportation Division, Engineering Economics Branch (Exhibit 2) generally confirms applicant's estimates, although differing to some extent in details. Both the Finance and Accounts and Transportation Divisions recommend that the proposed increases be granted.

The excursion fares to Long Beach have not been used since July of 1963; they are limited to Island residents, who have available the "Island Commute Fare" on the more advantageous one-way basis.

Applicant has not provided service to Los Angeles International Airport since September, 1962. It is appropriate that the tariff be corrected to show the elimination of this service.

The applicant served notice of the proposed changes on all interested parties in accordance with General Order No. 105-A and posted notice, as requested by the Commission. No protests were received.

Upon consideration of all the facts and circumstances we find that the proposed increases in fares are justified; that the discontinuance of service as proposed is not adverse to the public interest; and that a public hearing is not necessary.

IT IS ORDERED that:

1. Catalina Air Lines, Inc. is authorized to establish the proposed passenger fares set forth in Appendix A attached hereto.
2. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.
3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 15th day of April, 1965.

Frederick B. Holdhoff
President
Arthur D. Bitchell
George L. Hoover
Augustin
William A. Bennett
Commissioners

APPENDIX A

CATALINA AIR LINES, INC.

Passenger Fares in Dollars

<u>Type</u>	<u>Route Between</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
Adult One-Way	Long Beach Harbor-Avalon Bay	\$ 5.50	\$ 5.95
Child One-Way	" " " " "	3.00	3.00*
Book Ticket **	" " " " "	45.00	50.00
Islander or Commuter One-Way	" " " " "	4.50	5.00
Excursion Round Trip	" " " " "	9.00	Cancel
Adult One-Way	Long Beach Airport-Avalon Bay	6.00	6.40
Child One-Way	" " " " "	3.00	3.20
Book Tickets**	" " " " "	50.00	52.50
Islander or Commuter One-Way	" " " " "	5.00	5.25
Excursion Round Trip	" " " " "	10.00	Cancel
Adult One-Way	Los Angeles Airport-Avalon Bay	8.50	Cancel
Child One-Way	" " " " "	4.25	"
Book Ticket**	" " " " "	70.00	"
Excursion Round Trip	" " " " "	14.00	"

*No Change

**Ticket Books 10 Rides Each