

ORIGINALDecision No. 72913

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MATSON NAVIGATION
 COMPANY to Increase Certain Fares
 For Transportation of Passengers
 By Water Between San Francisco and
 Los Angeles.

)
) Application No. 49499
) (Filed June 26, 1967;
) Amended July 19, 1967)
)

O P I N I O N

Matson Navigation Company, a corporation, conducts operations as a common carrier by water of passengers and freight in interstate commerce between certain ports on the Pacific Coast and ports in the State of Hawaii. Incidental to its interstate operations, Matson conducts operations as a common carrier by water of passengers, baggage and automobiles between San Francisco and Los Angeles.

By this application Matson seeks to increase its intrastate passenger fares by amounts ranging from \$5 to \$10, except for fares under \$75 where no increase is sought. The application states that the one-way fares between San Francisco and Los Angeles are constructed on the basis of one-fifth of the one-way fares between Pacific Coast ports and Honolulu. Matson has filed tariffs with the Federal Maritime Commission which will increase the majority of its interstate fares effective December 20, 1967. This application seeks authority to increase its corresponding intrastate fares by approximately five percent to maintain the current relationship of interstate and intrastate fares. Matson asks that it be authorized to make the increased intrastate fares effective concurrently with the increased interstate fares.

Attached to the application are statements showing Matson's present and proposed fares. Also attached are a balance sheet as of December 31, 1966, and a statement of income and retained earnings for the year ended December 31, 1966. The latter statement shows that Matson's passenger division had total operating revenues of \$14,696,000 and net income before taxes of \$761,000 for 1966. The application shows that Matson's intrastate revenues from passenger fares were \$77,347 in 1966. Interstate fares produced \$14,614,160 in that period. The revenues under increased fares are estimated to be \$81,200 and \$15,344,900, respectively. The intrastate revenue increase is estimated to be approximately \$4,000.

The application states that inasmuch as its intrastate operation is conducted with the same vessel (SS Lurline) and other facilities as its interstate operations, it is not feasible to prepare separate financial data for its intrastate service. The application avers that revenues for intrastate service are less than one percent of its interstate passenger revenues.

Applicant requests that its application be granted without hearing in view of the small amount of revenue involved and the fact that the purpose of the application is merely to preserve the interstate-intrastate fare relationships. Notice of the filing of the application appeared on the Commission's Daily Calendar of June 27, 1967. There are no protests.

In consideration of the facts and circumstances set out above, the Commission finds that the increase in fares sought herein is justified, and that a public hearing is not necessary. The Commission concludes that the application should be granted, and that the authorized fares should be established concurrently with applicant's increased interstate fares.

O R D E R

IT IS ORDERED that:

1. Matson Navigation Company is authorized to increase its first class passenger fares between San Francisco and Los Angeles as sought in the application herein.

2. Tariff publications authorized to be made as a result of the order herein may be effective not earlier than December 28, 1967, on not less than thirty days' notice to the Commission and the public.

3. The authority granted herein shall expire unless exercised on or before January 1, 1968.

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

Dated at San Francisco, California, this 15th day of AUGUST, 1967.

William H. Bennett President
Augusta
William Lyons Jr.
Sted P. Norrberg Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.