

ORIGINAL

Decision No. 77159

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC SOUTHWEST AIRLINES for authorization to make effective on an experimental basis, an 8% discount rate on purchase of a book of 10 tickets. The discount to apply to existing passenger air carrier routes between San Diego-Los Angeles, Los Angeles-San Francisco, and Sacramento-San Francisco.

Application No. 51801
(Filed March 31, 1970)

O P I N I O N

In this application, Pacific Southwest Airlines (PSA) requests an order authorizing the filing, on five days' notice, of an experimental tariff setting forth reduced air passenger fares based on an eight percent discount from regular fares for the purchase of ten tickets at one time.

The application indicates that the following conditions would govern the sale of discount fares. Books of ten tickets for one route segment (i.e., San Diego-Los Angeles, Los Angeles-San Francisco and San Francisco-Sacramento in either direction) will be sold for cash or check only and will be valid for one year. The complete book would be required to be presented at the time of use for passage and tickets would not be transferable. Refunds prior to the expiration date and thirty days thereafter will be made on the unused portion of the book less the full fare (no discount) on those tickets that were used. Refunds will be made only by mail at the PSA Administrative Office, 3225 North Harbor Drive, San Diego, California 92101. Lost tickets will be refundable only after thirty days subsequent to the expiration date.

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The application states that PSA desires to make the proposed experimental tariff effective in the period between April 30 and May 15, 1970, with an ending date of November 1, 1970 for the sale of the discount tickets. As the tickets would be sold as valid for one year, PSA would honor them until expiration date or October 31, 1971, whichever is earlier.

The application states that PSA desires to offer this discount to its commuter customer on the basis of the reduction in cost in handling individual ticketing. The application alleges that the advantages to the frequent traveller are considerable in respect to time used to be ticketed; although the passenger would still be requested to make an advance reservation, he could appear at the gate position of his flight departure without stopping at the ticket counter.

The application further alleges that PSA proposes to begin this discount fare between the segments of (1) San Diego-Los Angeles, (2) Los Angeles-San Francisco, and (3) Sacramento-San Francisco to test the public reaction in these high-density markets. At the current fare of \$15.00 between Los Angeles and San Francisco, a book of ten tickets would cost \$138.00 (plus tax) as opposed to individually purchased tickets amounting to \$150.00 (plus tax). The application states that should public reaction and economic factors warrant it, PSA would expand this type of discount to other segments and extend this tariff.

The application indicates that it was served on March 30, 1970 in accordance with the requirements of Rule 4.3 of General Order No. 105-A. The application was listed on the Commission's Daily Calendar of April 3, 1970. There are no protests.

In the circumstances it appears, and the Commission finds, that increases occurring upon the expiration of the temporary reduced fares will be justified. The Commission concludes that PSA should be authorized to establish the reduced fare tariff as proposed herein on five days' notice to the Commission and to the public. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Pacific Southwest Airlines, a corporation, is authorized to establish reduced passenger air fares, subject to the conditions, including expiration date, proposed in the application herein.

2. Tariff publications authorized to be made as a result of the order herein may be filed on or after the effective date hereof, and may be made effective on five days' notice to the Commission and to the public.

3. The authority granted herein will expire unless exercised within forty-five days after the effective date hereof.

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

Dated at San Francisco, California, this 28th day of APRIL 4, 1970.

William J. ...
President

[Signature]

Verona L. Sturgeon
Commissioners

L. ...
[Signature]

COMMISSIONER J. P. VUKASIN, JR., DISSENTING

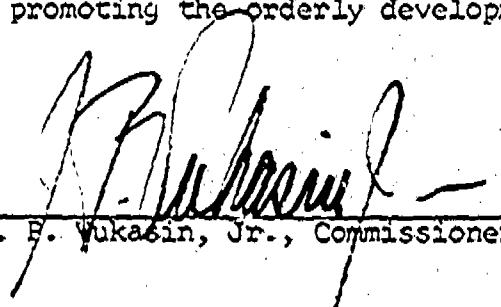
The foregoing decision results in an unfair discrimination against a large segment of California air passengers, reflects a disregard for the interests and efforts of four major communities, perpetuates and aggravates undesirable intrastate air travel congestion, and fails to deal realistically and logically with California air travel matters.

This decision grants one airline the right to offer discount fares between (1) San Diego and Los Angeles, (2) Los Angeles and San Francisco, (3) San Francisco and Sacramento. It refuses to grant the same or equivalent discounts to California travelers utilizing the facilities at Oakland, Ontario, Hollywood-Burbank, and San Jose airports. The communities directly involved with, and immediately surrounding Oakland, Hollywood-Burbank, San Jose, and Ontario airports have expended many millions of dollars and substantial effort in long-range programs designed to encourage the use of their respective facilities. This is a highly desirable objective and should be supported by all State and Federal governmental agencies, particularly this Commission which has direct jurisdiction over intrastate airlines. I take official notice of the passenger congestion at the San Francisco and Los Angeles International airports and the incredibly expensive parking rates at those locations. Rather than contribute to this mass herding of California passengers, this Commission should make every effort to support and encourage the utilization of all available alternate air terminals.

It grieves me to observe that this decision continues the piecemeal, case-by-case, ad hoc policy of regulating air travel. Proper concern for the well-being of the travelling citizens of this State would have dictated long ago that this Commission should establish an overall policy and long-range plan for promoting the orderly development of intrastate air travel.

San Francisco, California

April 28, 1970


J. P. Vukasin, Jr., Commissioner