

MS

Decision No. 77990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of UNITED AIR LINES, INC.,)
for authority to increase intrastate)
passenger fares for California Com-)
muter service.)

Application No. 52153
(Filed August 24, 1970;
Amended October 5, 1970
and October 20, 1970)

O P I N I O N

United Air Lines, Inc. (United) is a common carrier by air of passengers and property between points in the United States and Canada, including points in California. In this application United seeks to increase its intrastate fares for its California commuter service. (Present and proposed fares are set forth in Appendix A.)

The application states that the increases sought are for the dual purposes of increasing intrastate revenues and of simplifying the quotation and collection of fares. The application indicates that the proposed fares are estimated to produce a revenue increase of approximately \$461,000 annually, or about 2.06 percent over that received for United's California commuter services during the year ended June 30, 1970. The application alleges that United's operating loss at the fares proposed herein would be \$5,229,000, if said fares had been in effect during the year ended June 30, 1970, resulting in an estimated operating ratio of 122.9 percent.

The application states that the commuter fares historically have been maintained at levels that produce selling fares, including federal transportation tax, which end in even quarter-dollar amounts. Effective July 1, 1970, the federal transportation tax was raised from five to eight percent, requiring adjustment in

the basic fares so that said fares will again end in even quarter-dollar amounts.

The application, as amended, alleges that the fares proposed herein are substantially the same as proposed by Pacific Southwest Airlines (PSA) in Application No. 52016.^{1/} In a decision issued today, PSA is authorized to increase its commuter fares to the levels sought in Application No. 52016. The Commission found in prior decisions, including Decision No. 75899, dated July 8, 1969, in Application No. 50847, that competition between United and PSA would not permit either airline to maintain commuter fares substantially different from its competitor.

United requests that this application be granted without hearing. The application was served in accordance with Commission rules. Also, notice of the filing of the application and the amendment thereto appeared on the Commission's Daily Calendar. There are no protests.

In the circumstances it appears, and the Commission finds, that the increased air fares sought herein are justified. The application should be granted. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. United Air Lines, Inc. is authorized to establish the increased commuter air fares set forth in Application No. 52153. Tariff publications authorized to be made as a result of the order

^{1/} United's proposed fares differ from PSA between San Diego and Bay Area points. United proposes \$22.22, while PSA proposes \$22.68.

herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

2. 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 Los Angeles, California, this 1st day of DECEMBER, 1970.

[Signature]
Chairman

[Signature]

[Signature]
Commissioners

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

APPENDIX A

UNITED AIR LINES, INC.

<u>Route/ Between Points</u>	<u>Present Fare</u>	<u>Present Fare Including 5% Transp. Tax</u>	<u>Present Fare Including 8% Transp. Tax</u>	<u>Proposed Increase</u>	<u>Proposed Fare</u>	<u>Proposed Fare Plus 8% Tax</u>
San Diego/ Los Angeles	\$ 7.38	\$ 7.75	\$ 7.91	.03	\$ 7.41	\$ 8.00
Los Angeles/ San Francisco Oakland San Jose	15.00	15.75	16.20	.28	15.28	16.50
San Diego/ Sacramento	22.86	24.00	24.69	.29	23.15	25.00
Los Angeles/ Sacramento	16.19	17.00	17.49	.48	16.67	18.00
San Diego/ San Francisco Oakland San Jose	20.95	22.00	22.63	1.27	22.22	24.00