

ORIGINAL

Decision No. 78205

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
Commuter service.

Application No. 52153
(Petition for Modification
of Decision No. 77990,
Filed December 9, 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. Decision No. 77990, dated December 1, 1970, authorized United to increase its intrastate jet commuter air fares generally to the level sought by Pacific Southwest Airlines (PSA) in Application No. 52016. Decision No. 77991, dated December 1, 1970, in said application authorized PSA to increase its jet commuter air fare between San Diego and San Francisco/Oakland/San Jose by a greater amount than was authorized to United in Decision No. 77990.^{1/}

By Petition for Modification of Decision No. 77990, filed December 9, 1970, United seeks to further increase its San Diego-Bay Area commuter fare to the level authorized to be maintained by PSA. In support of this request, the petition states as follows:

"United believes that the public interest at the present time would be served by maintaining uniformity of fares among air carriers offering similar commuter services in the affected market. Whatever advantage might accrue to United in potential diversion of traffic from PSA because of a fifty cents differential in

^{1/} United was authorized to establish a fare of \$22.22 (\$24.00 including federal tax), and PSA was authorized to establish a fare of \$22.68 (\$24.50 including federal tax).

fares would be offset from the public view in resultant confusion where the public has grown accustomed to identity of fares. The Commission has previously recognized PSA as the fare making carrier in the commuter market. United sees nothing at present to suggest a different conclusion, and therefore, proposes that its fares should be made the same as those of PSA."

United estimates that the higher fare sought herein would increase its revenues by approximately \$22,000 annually. The petition alleges that there would be no material change in United's annual operating loss in its commuter services of \$5,229,000, as referred to by the Commission in Decision No. 77990. In view of the Commission's recent review of the fares of United and PSA, United urges that there is no need for a public hearing on its petition.

Notice of the filing of the petition appeared on the Commission's Daily Calendar of December 10, 1970. There are no protests or requests for hearing.

In the circumstances, the Commission finds that the proposed increased fares are justified, and that a public hearing is not necessary. The petition should be granted to the extent provided by the order which follows.

ORDER

IT IS ORDERED that:

1. United Air Lines, Inc. is authorized to establish an increased commuter air fare of \$22.68 between San Diego and San Francisco/Oakland/San Jose as requested in the Petition for Modification of Decision No. 77990, filed December 9, 1970 in Application No. 52153. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective

date of this order and may be made effective not earlier than three days after the effective date hereof on not less than three 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 San Francisco, California, this 19th day of JANUARY, 1971.

Chairman

William Susous, Jr.

Vernon L. Stinger

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.