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Decision No. __78207__   ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIR CALIFORNIA for)
authority to increase its intrastate)
passenger fares between San Diego)
and San Jose/Oakland.)
_____)

Application No. 52372
(Filed December 24, 1970)

O P I N I O N

Air California, a passenger air carrier, provides service between points in Southern California, on the one hand, and points in the San Francisco Bay Area, on the other hand. In this application, it requests authority to increase its air fare for service between San Diego, on the one hand, and San Jose and Oakland, on the other hand, from $20.95 ($22.63 including federal tax) to $22.68 ($24.50 including federal tax).

In support of this request the application alleges as follows: Air California inaugurated service between San Diego and San Jose/Oakland on November 1, 1970. The fare of $20.95 was established to conform to the fare then being charged by Pacific Southwest Airlines (PSA). By Decision No. 77991, dated December 1, 1970, PSA was authorized to increase its fare between San Diego and Bay Area points to $22.68. United Airlines, Inc. (United) and Western Airlines, Inc. (Western) have filed applications seeking similar increases in San Diego - Bay Area jet commuter fares. Thus, the four air carriers offering jet commuter service seek uniformity of fares for the service in question.

The application states that Air California believes that the public interest would be served by such uniformity of fares by air carriers offering similar commuter services in the affected

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market. Air California also believes that whatever advantage might accrue to it from diversion of traffic from its competitors because of a rate differential would be offset from the public view by the confusion arising from multiplicity of fares.

Air California estimates that the higher fare sought would increase its revenues by approximately $145,000 annually, and asserts that such increase would help to alleviate the financial insufficiency from which Air California is suffering. Air California submits that under the circumstances no public hearing is required and that the Commission may properly grant the authority herein requested ex parte.

Notice of the filing of the application appeared on the Commission's Daily Calendar of December 28, 1970. There are no protests or requests for public hearing.

In the circumstances, the Commission finds that the proposed increased fares are justified, and that a public hearing is not necessary. The application should be granted.

O R D E R

IT IS ORDERED that:

1. Air California, a corporation, is authorized to establish an increased commuter air fare of $22.68 between San Diego and San Jose/Oakland, as requested in Application No. 52372. 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 granted herein 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

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_____ Commissioners

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