

ORIGINAL

Decision No. 78349

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Valley Airlines, Inc. under the Shortened Procedure Tariff Docket to receive authority to increase rates filed in Cal.P.U.C. No. 2 Air Freight Tariff No. 1))	Shortened Procedure Tariff Docket
))	Application No. 52319
))	(Filed November 24, 1970)
))	(Amended January 5, 1971)

OPINION AND ORDER

By this application, Valley Airlines, Inc., seeks authority to increase its charges for the transportation of air freight shipments exceeding 15 pounds by revising its tariff provisions pertaining to the application of such charges.

Applicant proposes, in lieu of assessing charges for the transportation involved based on a rate of 10 cents per pound, minimum charge \$3.00 per shipment, to apply a minimum charge of \$3.00 per shipment plus 10 cents per pound or fraction thereof for each pound or fraction thereof the shipment exceeds 15 pounds.

Applicant states that its aircraft is used in transporting passengers and baggage with air freight shipments and that the capacity of its equipment will not generally accommodate the handling of large or heavy shipments. Applicant avers that most shipments are less than 30 pounds and that the current \$3.00 minimum charge approaches the costs of handling such shipments and allows for little profit.

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The provisions, which are set forth in First Revised Page 16 of applicant's Airfreight Tariff No. 1, Cal.P.U.C. No. 2, govern the charges for the transportation of air freight shipments between San Jose Municipal Airport, San Francisco International Airport, Lake Tahoe El Dorado County Airport, Fresno Air Terminal, Bakersfield Meadows Field and Santa Barbara Municipal Airport.

Applicant asserts that increases resulting from the proposal herein would not increase its California intrastate gross revenue by as much as one percent.

The application and amendment thereto were listed on the Commission's Daily Calendar of November 25, 1970, and January 12, 1971. No objection to the granting of the application, as amended, has been received.

Commission staff analysis discloses that the proposed charges for this small shipment service from airport to airport are generally lower than the charges of highway carriers for small shipment service from depot to depot for corresponding highway distances. The proposed charges are required to enable applicant to perform this expedited service by air on a compensatory basis. The staff recommends that the application, as amended, be granted by ex parte order.

In the circumstances, it appears, and the Commission finds, that increases resulting from the proposal herein are justified. A public hearing is not necessary. The Commission concludes that the application, as amended, should be granted.

IT IS ORDERED that:

1. Valley Airlines, Inc., is hereby authorized to publish increased charges as specifically proposed in the application, as amended.

2. 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 thirty days after the effective date of this order on not less than thirty days' notice to the Commission and to the public.

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 22nd day of February, 1971.

Chairman

Commissioners

Commissioners

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

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.