

ek

ORIGINAL

Decision No. 81921

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of WESTERN AIR LINES, INC. }  
for authority to increase certain }  
intrastate passenger fares and cargo }  
charges. }

Application No. 53234  
(Filed March 27, 1972;  
amended July 17, 1972  
and September 4, 1973)

INTERIM OPINION

In this application Western Air Lines, Inc. (Western) seeks authority to increase its intrastate commuter and first-class air fares and freight charges. Western is a common carrier by air of passengers and property between various points in the United States (including California), Canada, and Mexico. Within California, Western serves San Francisco, Oakland, San Jose, Sacramento, Long Beach, Ontario (San Bernardino), Palm Springs, and San Diego. Its intrastate passenger operations utilize Boeing 707, 720, 720B, 727-200, and 737 aircraft.

Western's commuter air fares within California historically have been maintained on the same levels as its major competitors, Pacific Southwest Airlines (PSA) and United Air Lines, Inc. Western seeks authority to apply a method of determining commuter air fares between certain points that are different from those used by PSA and United Air Lines. The application asserts that in recognition of the fact that the Commission has consistently determined PSA to be the rate-making carrier in the California corridor, Western's original request was for higher fares than those maintained by PSA, and that air carriers be allowed a "fare window" within which upward or downward adjustments could be made. In the amendments to its application, Western seeks interim fares generally on the level proposed by PSA.

Decision No. 81793 dated August 21, 1973 in Application No. 53525 authorized PSA to increase its air fares. The Commission's Transportation Division recommends that an ex parte interim decision be issued granting an increase in commuter air fares as shown in the amended Application No. 53234 for the following city-pairs to maintain a parity with those fares granted to Pacific Southwest Airlines, the rate-making carrier in the California corridor:

LGB-OAK	\$17.59	ONT-SMF	\$20.37
LGB-SFO	\$17.59	ONT-SFO	\$17.59
LAX-OAK	\$16.20	ONT-OAK	\$17.59
LAX-SMF	\$17.59	SAN-SFO	\$23.61
LAX-SFO	\$16.20	SAN-OAK	\$23.61
LAX-SJC	\$16.20		

The amendment filed September 4, 1973 seeks the establishment of jet commuter air fares of \$23.97 for Sacramento-San Diego and \$23.50 between San Diego-San Jose. These proposed fares are based on those currently sought by Air California, and are less than those authorized to PSA in Decision No. 81793.

The Commission staff further recommends that the remaining fare increase requests be subject to a hearing.

The Commission finds:

1. Western seeks authority in Application No. 53234 to increase its commuter and first-class air fares and cargo charges applicable within California.

2. The financial data submitted by Western in connection with its original application shows that Western's intra-California operations were conducted at a loss for the twelve-month period ended September 30, 1971. More recent data have not been submitted.

3. The Commission historically has considered PSA to be the low cost (rate-making) carrier in the California corridor and, in the past, has authorized other passenger air carriers to raise their commuter air fares to the levels authorized to PSA between directly competitive points.

4. PSA was authorized to increase its passenger air fares pursuant to Decision No. 81793 dated August 21, 1973 in Application No. 53525.

5. Interim increases in Western's commuter air fares to the levels authorized to PSA in Decision No. 81793 between directly competitive points (or to levels sought by Air California, where lower) are justified and will result in reasonable and nondiscriminatory fares. Such action will be consistent with past decisions involving fares of Western, PSA, and other competing carriers.

6. The balance of the relief sought in Application No. 53234 should be the subject of a public hearing at which time more recent economic data concerning Western's intra-California operations should be presented.

The Commission concludes that increases in air fares as recommended by the Commission staff should be authorized as interim fares without hearing, and that such increased air fares should be permitted to become effective on five days' notice to the Commission and to the public.

#### INTERIM ORDER

IT IS ORDERED that:

1. Western Air Lines, Inc. is authorized to establish the following increased commuter air fares (exclusive of tax and security charge):

Long Beach - Oakland	\$17.59
Long Beach - San Francisco	\$17.59
Los Angeles - Oakland	\$16.20
Los Angeles - San Francisco	\$16.20
Los Angeles - San Jose	\$16.20
Los Angeles - Sacramento	\$17.59
Ontario - San Francisco	\$17.59
Ontario - Oakland	\$17.59
Ontario - Sacramento	\$20.37
San Diego - San Francisco	\$23.50
San Diego - Oakland	\$23.50
San Diego - Sacramento	\$23.97
San Diego - San Jose	\$23.50

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 five days' notice to the Commission and to the public.

3. 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 25<sup>th</sup> day of SEPTEMBER, 1973.

Vernon L. Sturgeon  
President  
William J. Squires  
[Signature]  
[Signature]  
[Signature]  
Commissioners

Jakobson  
[Signature], Commissioner.