

ei

ORIGINAL

Decision No. S2191

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of UNITED AIR LINES, INC.,
for authority to add a Security Charge
to intrastate passenger fares.

Application No. 53967
(Filed April 16, 1973)

Application of PACIFIC SOUTHWEST
AIRLINES for an Ex Parte Order or
expedited authority to establish
a surcharge.

Application No. 53984
(Filed April 23, 1973)

Application of WESTERN AIR LINES, INC.,
for authority to add a security charge
to its intra-California passenger fares.

Application No. 53985
(Filed April 20, 1973)

Application of AIR CALIFORNIA for an
Ex Parte Order to add a Security Charge
to passenger fares.

Application No. 53987
(Filed April 23, 1973)

Application of Hughes Air Corp., d/b/a/
HUGHES AIRWEST for authority to add a
security charge to its intrastate
passenger fares.

Application No. 53997
(Filed April 30, 1973)

Application of Holiday Resources, Inc.,
dba Holiday Airlines, for an Ex Parte
Order to add a Security Charge to
passenger fares.

Application No. 54062
(Filed May 25, 1973)

Application of TRANS WORLD AIRLINES,
INC. for authority to add a Security
Charge to intrastate passenger fares.

Application No. 54107
(Filed June 18, 1973)

SUPPLEMENTAL OPINION AND ORDER

Decision No. 81390 dated May 15, 1973 authorized United Air Lines, Inc., Hughes Air Corp. dba Hughes Airwest, Air California, Western Air Lines, Inc., and Pacific Southwest Airlines to collect an interim surcharge in the amount of 34 cents from each California intrastate passenger to cover costs connected with security screening of passengers pending a final decision after public hearings regarding the final appropriate level of the surcharge. Decision No. 81697 dated July 31, 1973 granted the same relief to Holiday Resources, Inc. dba Holiday Airlines, and Decision No. 81752 dated August 14, 1973 granted the same relief to Trans World Airlines, Inc.

Finding 12 of Decision No. 81390 stated that the Commission would, by supplemental order, prescribe specific accounting procedures relating to security charges authorized. At the time the decisions were issued, it was not possible to determine accurately the actual costs for implementing the passenger screening program. This is still the case at this date.

Today the Commission issued Decision No. 82190 concerning an additional surcharge to defray the costs for providing armed guards at airports, which are being passed on to the various air carriers operating in California and carrying intrastate passengers.^{1/}

1/ This decision concerned a request for interim relief in Applications Nos. 54043 (Western Air Lines), 54046 (United Air Lines), 54061 (Hughes Airwest), 54106 (Air California), 54107 (TWA), 54247 (Holiday Airlines), and 54273 (PSA).

Each of the decisions contained a provision requiring the carriers to keep a record of the passengers enplaned and an accounting of the surcharge revenue collected and related incremental costs for each of the airports served in California, and a requirement that such information be made available to the Commission upon request.

The decision issued today in the cases involving a surcharge to defray the costs of providing armed guards contains the additional provision that each carrier account for surcharges collected separate from other revenues, and account for all new and incremental costs pertaining to the function for which the surcharge is collected in a separate set of accounts. The decision further requires that any differences between such revenues collected and related costs incurred not be closed to income account, but be deferred for consideration and disposition by the Commission at a later date.

The Commission recognizes that it may be some time before the proper permanent level of these surcharges can be ascertained with certainty. The carriers have to date relied to a great extent on estimates based upon general information supplied by airport operators, and also upon certain general information furnished the Civil Aeronautics Board in Docket 25315.

While it is advisable in the interest of protecting the public to encourage air carriers and airport operators to promptly comply with Federal Aviation Administration regulations concerning security precautions, it is also clear that the public interest requires that the Commission ensure that an undue burden will not be placed either on the carriers or their passengers, and to this end it is necessary that sums collected by way of the 34-cent surcharge for passenger screening, and not expended for that purpose, should be accounted for separately and held by the carriers to be

disposed of as the Commission may direct. The decision issued this date in the various applications concerning surcharges for the purpose of defraying the cost of providing armed guards makes such a requirement, and this supplemental order will make the same requirement so that the procedure for both surcharges will be identical.

IT IS ORDERED that Decisions Nos. 81390, 81697, and 81752 are amended to require each air carrier party to such decisions to account for all surcharge revenues and all costs pertaining to the functions for which the surcharge is collected in a separate set of accounts. Any differences between such revenues collected and related costs incurred shall not be closed to income account, but shall be deferred for consideration and disposition by the Commission.

The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 4th day of DECEMBER, 1973.

Vernon L. Spencer
President
William J. Synge
W. J. Synge
W. J. Synge
W. J. Synge
Commissioners