

Decision No. 83646

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DELTA AIR LINES, INC.,)
under the Shortened Procedure Tariff)
Docket to cancel military standby fare) (SPT) Application No. 55150
between Los Angeles and San Diego.) (Filed September 3, 1974)

OPINION AND ORDER

By this application, Delta Air Lines, Inc., (Delta) seeks authority to cancel its Intrastate Local Military Standby Tariff, Cal. P.U.C. No. 6.

Applicant states that Delta and the domestic airline industry cancelled interstate Military Standby fares on May 1, 1974 including the interstate Military Standby fare between Los Angeles and San Diego. Therefore, the only Military Standby fare which Delta still publishes within the Continental United States is the intrastate Military Standby fare between Los Angeles and San Diego. Since Delta has not offered Youth Standby fares for many years, this one remaining fare is the only standby fare available via Delta anywhere in the Continental United States. Consistent with Delta's policy of maintaining uniform provisions for interstate and intrastate travel, Delta wishes to cancel this sole remaining standby fare.

The applicant asserts that Delta has not increased its Military Standby fare between Los Angeles and San Diego of \$5.80 since it was first introduced in 1963. Substantial increases in costs over the last eleven years would justify a significant increase in the standby fare; however, reserved seat fares are already available at \$3 for Day Coach travel and \$6.35 for Night Coach travel. Therefore, it is Delta's belief that the military passenger can best be served by offering transportation at presently existing reserved seat fares.

The Commission finds that eight carriers presently serve the Los Angeles-San Diego market and that five of these carriers publish Military Standby fares. Thus, even with the elimination of this type fare by Delta, there will still be four carriers (American, National, United and Western) offering military standby fares in this same air corridor. However, it is noted that the level of three of these fares (\$7.70 for American and Western; \$7.86 for United) is almost that of applicant's Day Coach fare of \$8. Thus, the savings effected by going standby appears to be insignificant and in most cases it is likely prospective passengers would prefer the reserved seat basis for the small difference.

The applicant has conducted a 10% sample of intrastate tickets and found very low usage of the standby fare from January through June 1974. It is applicant's belief that this indicates that even with the standby fare available, military personnel would rather spend an additional 55¢ for night coach or \$2.20 for day coach for reserved seat travel. Therefore, it is evident that few passengers will be affected by the cancellation of this tariff.^{1/}

Applicant asserts that increases resulting from the proposal herein would not increase its California intrastate gross revenue by as much as one percent. It is estimated that applicant's intrastate passenger revenue would increase by \$470 for the first six months in 1974.

Copies of the application were mailed to Air California, Inc., American Airlines, Golden West Airlines, Inc., Hughes Airwest, National Airlines, Inc., Pacific Southwest Airlines, United Airlines, Inc., Western Airlines, Inc., on or about August 30, 1974. The application was listed on the Commission's Daily Calendar of September 5, 1974. No objection to the granting of the application has been received.

^{1/} The 10% sample showed that only 341 out of 95,646 intrastate passengers traveled at standby fares during the six months period.

In the circumstances, the Commission finds that any increases resulting from cancellation of the fares as proposed in the application are justified. A public hearing is not necessary. The Commission concludes that the application should be granted.

IT IS ORDERED that:

1. Delta Air Lines, Inc., is hereby authorized to cancel its Local Military Standby Tariff, Cal. P.U.C. No. 6, as specifically proposed in the application.

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 after the effective date of this order on not less than five 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 29th
day of OCTOBER, 1974.

Vernon L. Sturgeon
President
William L. Jones, Jr.
Thomas A. ...
Robert E. McLeod
Commissioners