

Decision No. 84547**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Southwest
Airlines for authority to increase
air freight rates.

Application No. 55528
(Filed March 3, 1975)

O P I N I O N

Pacific Southwest Airlines is a passenger air carrier with operations between a number of points in California over routes prescribed in certificates of public convenience and necessity issued by the Commission. It here seeks authority to increase its air freight rates. Its present freight rates were established pursuant to Decision No. 80322 dated August 1, 1972 in Application No. 52970.

Applicant's proposed rates present a very simplified rate structure which will eliminate a number of "paper rates". It proposes a rate of 7 cents per pound, minimum charge \$7.00, or \$7.00 per 100 pounds between all points. This is nothing more than a rate of \$7.00 per 100 pounds, minimum charge at the rate for 100 pounds. Applicant's present rate for transportation of freight between San Diego and northern California points is 11 cents per pound, minimum charge \$6.00, or a rate of \$7.00 per 100 pounds. The proposed rate between the points would increase the charges only on shipments between 55 and 64 pounds. Between other points applicant's present rates are 9 cents per pound, minimum charge \$6.00, or \$6.00 per 100 pounds. That is nothing more than \$6.00 per 100 pounds, minimum charge at the rate for 100 pounds. Those proposed rates represent an increase of 16.67 percent. Applicant does not propose to increase its rates on shipments of newspapers.

During 1974 applicant's total gross revenue from the transportation of freight amounted to \$1,706,000. Applicant estimates the proposed rate increases will provide \$278,000 additional gross revenue which represents a 16.3 percent increase over the 1974 gross revenues. Depending upon the amount of the 1974 gross revenues that were received from shipments of newspapers and from freight between San Diego and northern California points, applicant's estimate may be significantly optimistic.

Applicant has also filed Application No. 55160 seeking an increase in passenger fares. That application has been heard and is under submission. The \$278,000 estimated additional gross freight revenues is included in the estimates by applicant and by the Commission staff presented in Application No. 55160 concerning operating results under present and proposed passenger fares.

Applicant served a copy of the application upon all state, federal, county, and city officials that may have an interest in this application, as well as all of the major airlines operating in California. Notice of the filing of the application appeared in the Commission's Daily Calendar. There are no protests.

The proposed freight rate increases will not provide applicant with excessive earnings. The additional revenues resulting from the proposed freight rate increases are being considered in Application No. 55160. The proposed rates will result in a more simplified rate structure. The increases will bring applicant's freight rates closer to the air freight rates charged by other airlines. The increases are justified.

O R D E R

IT IS ORDERED that:

1. Pacific Southwest Airlines, a corporation, is authorized to establish the increased rates proposed in Application No. 55528. Tariff publications authorized to be made as a result of this order

shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

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

3. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 105-Series.

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

Dated at San Francisco, California, this 17th
day of JUNE, 1975.

Vernon L. Stevenson
President
William J. Quinn
Donald L. ...
Leonard Ross
John H. ...
Commissioners