

Decision No. 84597**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

WESTERN AIR LINES, INC.,  
for authority to increase certain  
intrastate passenger fares.

Application No. 55604  
(Filed April 8, 1975)

INTERIM OPINION

Western Air Lines, Inc. (Western) is a common carrier by air of passengers and property between points in various states of the United States, including California, and Canada and Mexico, pursuant to certificates of public convenience and necessity issued by the Federal Government. Within California, Western serves San Francisco, Oakland, San Jose, Sacramento, Los Angeles, Ontario (San Bernardino), Palm Springs, and San Diego.

The application herein states that by Application No. 55160 dated September 11, 1974, as amended March 7, 1975 and March 20, 1975, Pacific Southwest Airlines, Inc. (PSA) has requested an upward adjustment in passenger air fares to partially compensate for substantial inflationary increases in its operating costs. Western's application herein seeks similar increases in passenger air fares requested by PSA or granted to PSA by the Commission. The proposed increases are set forth in Appendix A to the application which includes all markets involved and shows the present and proposed fares.

The application further states that in recognition of the Commission's prior findings that PSA is the ratemaking carrier in principal California intrastate markets, Western's proposed commuter fares match the commuter fare increases sought by PSA between points where Western competes with PSA. In the case of noncommuter fares

and in markets where Western does not compete with PSA, the proposed increases by Western are constructed on the same uniform basis with Western's increases matching PSA's fares on the premise that increases found lawful for competitive fares and on competitive routes should be authorized for noncompetitive fares and on non-competitive routes with similar trip lengths and, therefore, with comparable costs.

Decision No. 84544 issued June 17, 1975 in Application No. 55160 authorized PSA to increase its commuter air fares on an interim basis by 6.5 percent.

Western's application contains in Appendix C an estimate of increased revenue from the fares sought herein based on the increases sought by PSA. That development shows that the proposed increased fares would produce a net annual revenue increase of \$2,871,379. Fares based on the interim fares authorized to PSA would produce approximately \$1,149,000 additional annual revenue for Western. ✓

Appendix B to the application shows that for a 12-month period ended June 30, 1974, Western experienced an operating loss for the passenger services here in issue of \$10,047,000. At a fare increase based on PSA's interim fares the operating loss for that period would be reduced to approximately \$8,898,000. Western alleges ✓ that its proposed fare increases would not meaningfully reduce Western's losses within California.

Western requests that the Commission issue an ex parte order or to expedite consideration of this application and to grant on an interim basis an order finding the proposed fares will be reasonable, and authorizing them to become effective on five days' notice.

Findings

1. Western seeks authority in Application No. 55604 to increase its coach, commuter, and night coach; its first class and deluxe night coach; and its military fares by the same amounts authorized to PSA in Application No. 55160.

2. PSA was authorized to establish an interim increase in its air fares of 6.5 percent.

3. The financial data submitted with Application No. 55604 shows that Western's intra-California operations were conducted at a substantial loss in the 12-month period ended June 30, 1974, and if the proposed increase in fares was authorized, that loss would be reduced, but not eliminated.

4. The Commission historically has considered PSA to be the low-cost (ratemaking) 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 competitive points, and also has authorized proportionate increases in fares for other classes of service.

5. An interim increase in Western's air fares by the same percentage amount (6.5 percent) authorized to PSA is reasonable and the resulting increases are justified. Such action is consistent with past decisions of the Commission involving fares of Western and PSA.

6. A public hearing is not necessary.

Conclusion

The Commission concludes that Western should be granted interim authority to increase its fares to the extent found reasonable above.

INTERIM ORDER

IT IS ORDERED that:

1. Western Air Lines, Inc. is authorized to establish the increased passenger air fares set forth in Appendix A attached hereto and made a part hereof.
2. Experimental ninety-day promotional fares shall be constructed on the basis of the increased fares authorized in Ordering Paragraph 1 of this decision.
3. Tariff publications authorized to be made as a result of this order 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.
4. The authority granted herein shall expire unless exercised within ninety days after the date hereof.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 24th  
day of JUNE, 1975.

*I dissent for reasons  
stated in my dissent  
to the PSA application*  
*Leonard Ross*  
Commissioner

*Vernon L. Sturgeon*  
President

*[Signature]*  
*[Signature]*  
*[Signature]*  
Commissioners

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

WESTERN AIRLINES, INC.  
PROPOSED FIRST CLASS AND DELUXE NIGHT COACH FARES

Between/and	Present Fares		Proposed Fares	
	Without	With	Without	With
	Tax	Tax	Tax	Tax
(1)	(2)	(3)	(4)	(5)
Los Angeles-Oakland	\$27.18	\$29.35	\$28.94	\$31.26
" " -Palm Springs	27.59	29.80	29.40	31.75
" " -Sacramento	38.03	41.07	40.51	43.75
" " -San Diego	17.64	19.05	18.80	20.30
" " -San Francisco	27.18	29.35	28.94	31.26
" " -San Jose	27.18	29.35	28.94	31.26
Oakland-Ontario	38.52	41.60	41.02	44.30
" -Palm Springs	40.25	43.47	42.87	46.30
" -San Diego	43.24	46.70	46.06	49.75
" -San Jose	18.65	20.14	19.86	21.45
Ontario-San Francisco	38.52	41.60	41.02	44.30
Palm Springs-San Francisco	40.25	43.47	42.87	46.30
Sacramento-San Diego	45.45	49.09	48.43	52.30
San Diego-San Francisco	43.24	46.70	46.06	49.75
San Francisco-San Jose	18.65	20.14	19.86	21.45

WESTERN AIRLINES, INC.  
PROPOSED COACH, COMMUTER AND NIGHT COACH FARES

Between/and (1)	Present Fares		Proposed Fares	
	Without	With	Without	With
	Tax	Tax	Tax	Tax
(1)	(2)	(3)	(4)	(5)
Los Angeles-Oakland	\$19.21	\$20.75	\$20.46	\$22.10
" " -Ontario	14.02	15.14	14.95	16.15
" " -Palm Springs	19.22	20.76	20.46	22.10
" " -Sacramento	21.11	22.80	22.50	24.30
" " -San Diego	9.95	10.75	10.60	11.45
" " -San Francisco	19.21	20.75	20.46	22.10
" " -San Jose	19.21	20.75	20.46	22.10
Oakland-Ontario	21.11	22.80	22.50	24.30
" -Palm Springs	29.44	31.80	31.34	33.85
" -San Diego	26.85	28.90	28.61	30.90
" -San Jose	12.98	14.02	13.84	14.95
Ontario-Palm Springs	15.05	16.25	16.02	17.30
" -Sacramento	23.84	25.75	25.37	27.40
" -San Diego	9.95 <sup>1/</sup>	10.75 <sup>1/</sup>	10.60	11.45
" -San Diego	16.26 <sup>1/</sup>	17.56 <sup>1/</sup>	17.31	18.70
" -San Francisco	21.11	22.80	22.50	24.30
Palm Springs-Sacramento	29.90	32.29	31.85	34.40
" " -San Diego	18.18	19.63	19.35	20.90
" " -San Francisco	29.44	31.80	31.34	33.85
Sacramento-San Diego	27.36	29.55	29.12	31.45
San Diego-San Francisco	26.85	29.00	28.61	30.90
" " -San Jose	26.85	29.00	28.61	30.90
San Francisco-San Jose	12.98	14.02	13.84	14.95

1/ Lower fare applies direct; higher fare applies via Los Angeles

WESTERN AIRLINES, INC.  
PROPOSED MILITARY FARES

Between/and (1)	Present Fares		Proposed Fares	
	Without	With	Without	With
	Tax	Tax	Tax	Tax
(1)	(2)	(3)	(4)	(5)
<u>A. Military Standby Fares</u>				
Los Angeles-Oakland	\$15.37	\$16.60	\$16.39	\$17.70
" " -Ontario	9.06	9.78	9.63	10.40
" " -Palm Springs	9.06	9.78	9.63	10.40
" " -Sacramento	16.91	18.26	18.01	19.45
" " -San Diego	8.66	9.35	9.21	9.95
" " -San Francisco	15.37	16.60	16.39	17.70
" " -San Jose	15.37	16.60	16.39	17.70
Oakland-Ontario	16.06	17.34	17.08	18.45
" -Palm Springs	18.06	19.50	19.21	20.75
" -San Diego	18.93	20.50	20.23	21.85
Ontario-Palm Springs	9.06	9.78	9.63	10.40
" -Sacramento	19.06	20.58	20.28	21.90
" -San Diego	9.06 <sup>1/</sup>	9.78 <sup>1/</sup>	9.63	10.40
" -San Diego	10.06 <sup>1/</sup>	10.86 <sup>1/</sup>	10.69	11.55
" -San Francisco	16.06	17.34	17.08	18.45
Palm Springs-Sacramento	21.06	22.74	22.41	24.20
" " -San Diego	9.06 <sup>1/</sup>	9.78 <sup>1/</sup>	9.63	10.40
" " -San Diego	12.06 <sup>1/</sup>	13.02 <sup>1/</sup>	12.82	13.85
" " -San Francisco	18.06	19.50	19.21	20.75
Sacramento-San Diego	20.28	21.90	21.62	23.35
San Diego-San Francisco	18.98	20.50	20.23	21.85
" " -San Jose	18.98	20.50	20.23	21.85
<u>B. Military Leave Reservation Fares</u>				
Los Angeles-Palm Springs	11.06	11.94	11.76	12.70
" " -San Diego	9.95	10.75	10.60	11.45
Oakland-Palm Springs	23.06	24.90	24.54	26.50
Ontario-San Diego	13.06	14.10	13.89	15.00
Palm Springs-San Francisco	23.06	24.90	24.54	26.50
Sacramento-San Diego	26.28	28.38	28.01	30.25

1/ Lower fare applies direct; higher fare applies via Los Angeles.