

Decision No. 84991**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of NATIONAL AIRLINES, INC.,
for authority to increase and cancel
certain intrastate passenger fares.

Application No. 55922
(Filed September 10, 1975)

O P I N I O N

National Airlines, Inc. (National) seeks an ex parte order authorizing it to increase or cancel certain intrastate air fares. Within California, National provides service between Los Angeles and San Diego, using jet aircraft.

National seeks to increase or cancel fares as follows:

NATIONAL AIRLINES, INC.

Present And Proposed Fares 1/
Between Los Angeles And San Diego

<u>Type of Fare (Class)</u>	<u>Present Fare</u>	<u>Proposed Fare</u>	<u>Proposed Increase</u>
First Class (F)	\$10.35	\$17.64	\$7.29
Deluxe Night Coach (FN)	8.00	X	-
Coach (Y)	8.00	10.60	2.60
Night Coach (YN)	6.35	X	-
Commuter (K)	6.35	X	-
Military Standby (M)	5.80	X	-

1/ All fares excluding tax; children's fares are 50 percent of first class or coach.

X Canceled.

The application states that the proposed higher fares are comparable to the increased fares authorized to Pacific Southwest Airlines, Inc. (PSA) in Decision No. 84544 dated June 17, 1975 in Application No. 55160. This proposal is made in asserted recognition of the Commission's prior findings that PSA is the ratemaking carrier in the principal California intrastate markets; therefore National's proposed coach fare matches PSA's commuter fare.

National proposes to concurrently cancel its deluxe night coach, night coach, commuter, and military furlough fares in the Los Angeles-San Diego market. National proposes to reduce the number of fares offered from six to two.

National states that it expects little, if any, loss of traffic due to the increase and cancellation of air fares proposed herein.

The application states that the increased fares are estimated to produce additional annual revenues of \$29,261, assuming no loss of traffic. The application shows that if the proposed fares had been in effect in the six-month period ended June 30, 1975, National would have experienced a pre-tax loss for its intra-California operations of \$816,617.

National requests that this application be acted upon without hearing in view of the operating losses now being incurred by applicant from its California intrastate operations over the routes involved and the desirability of maintaining a parity of jet commuter fares published by applicant, PSA, and Western.

The application was served in accordance with Commission rules. In addition, notice of the filing of the application and amendment appeared on the Commission's Daily Calendar. There are no protests or requests for public hearing.

Findings

1. Applicant seeks to increase its intrastate coach and first class air fares applicable over the route segment served by it in California and to cancel other fares applicable over that route.
2. The coach fare increase sought is to a level heretofore authorized to PSA. The first class fares are proposed to be increased by the same percentage authorized to PSA.
3. The Commission has held in prior proceedings that PSA is the fare setting carrier over the route segment here in issue and that competition between applicant and PSA and other carriers on such route will not permit one of them to maintain air fares substantially different from those of its competitors.
4. Substantial uniformity of air fares for the route segment will be achieved if this application is granted.
5. The increase in air fares sought herein will not cause National's intra-California operations to be profitable.
6. The increase in fares sought herein is justified.
7. A public hearing is not necessary.

Conclusion

The application should be granted.

O R D E R

IT IS ORDERED that:

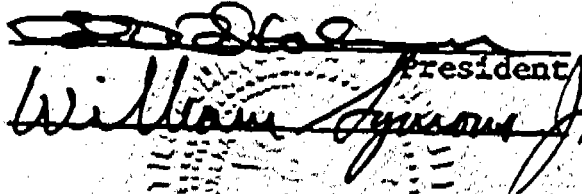

1. National Airlines, Inc. is authorized to establish the increased air fares sought in Application No. 55922, and to cancel air fares as more specifically set forth in Exhibit A thereto.

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 granted herein shall expire unless exercised within ninety days after the date of this order.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 15th
day of OCTOBER, 1975.


President

Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.