

Decision No. 85273

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DELTA AIR LINES, INC.)
 for authority to increase and cancel) Application No. 56064
 certain intrastate passenger fares.) (Filed November 13, 1975)

O P I N I O N

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

Delta seeks to increase or cancel fares as follows:

DELTA AIR LINES, 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	10.60	2.60
Coach (Y)	8.00	10.60	2.60
Night Coach (YN)	6.35	8.50	2.15
Commuter/Economy (K)	6.35	X	-

1/ All fares excluding tax; children's fares are 50 percent of first class or coach. Fares apply via routings now shown for present fares.

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, Delta's proposed coach fare is similar to PSA's commuter fare.

Delta proposes to cancel the commuter/economy (K) fares offered.

Delta 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 added revenues of \$81,174, for the six months ended June 30, 1975. The application alleges that if the proposed fares had been in effect in the six-month period ended June 30, 1975 Delta's operating loss would have been \$2,519,927, and at the existing fare level, Delta alleges an operating loss for the six months ended June 30, 1975 of \$2,598,260.

Delta requests that this application be acted upon without hearing in view of the alleged losses now being incurred by applicant from its California intrastate operations over the routes involved and the desirability of maintaining similar jet commuter fares to those published by PSA and National Airlines.

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

After consideration the Commission finds as follows:

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 fares are proposed to be increased to a level heretofore authorized to PSA. The first class fares are proposed to be increased to the same level authorized to National Airlines.
3. The Commission has held in prior proceedings that PSA is the fare setting carrier over the route segment here in issue.

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4. The proposed fare increases are estimated to produce added annual revenues of approximately \$162,000.

5. The increase in air fares sought herein will not cause Delta's intra-California operations to be profitable.

6. The increase in fares sought herein is justified.

7. A public hearing is not necessary.

It is concluded that the application should be granted.

O R D E R

IT IS ORDERED that:


1. Delta Air Lines, Inc. is authorized to establish the increased air fares sought in Application No. 56064 and to cancel air fares as more specifically set forth in the opinion.


2. Tariff publications authorized to be made as a result of the order herein 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.


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

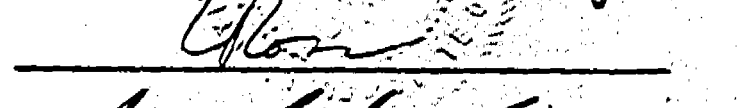
The effective date of this order is the date hereof.

Dated at San Francisco, California, this 30th
day of DECEMBER, 1975.



President






Commissioners