

ORIGINAL

Decision No. 85798

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
 Application of TRANS WORLD AIRLINES, }  
 INC., for authority to increase } Application No. 56356  
 certain intrastate air freight rates.) (Filed March 25, 1976)

O P I N I O N

Trans World Airlines, Inc., (TWA) is a common carrier by air of passengers and property between points in the United States, including the State of California. In this State, TWA operates in intrastate, as well as in interstate commerce, providing local service between Los Angeles and San Francisco/San Jose/Oakland.

TWA requests authority to increase its California intrastate air freight rates as follows:

	<u>Present Rate</u>	<u>Proposed Rate</u>
Minimum Charge	\$10.00	\$12.00
Rate per Pound	\$ 0.07	-
Rate per Hundredweight	\$ 7.10	\$ 3.50

Exhibit II of the application sets forth TWA's California scheduled service operating results for the year ended December 31, 1975. The operating results for TWA's California operations are based on allocation methods approved by the Civil Aeronautics Board (CAB) and used by TWA in prior applications to this Commission. Using CAB allocation methods, Exhibit II indicated TWA's California operations were conducted at a loss in the year ended December 31, 1975. Its California scheduled service revenue was \$9,243,000 and its allocated cost was \$17,330,000, which resulted in an operating loss on California scheduled service operations of \$8,087,000. The proposed rates for the year ended December 31, 1975, would have produced revenue of \$9,257,200, an increase of \$14,200, and the operating loss would have been \$8,072,300.

The application was served in accordance with Commission rules. Notice of the filing of the application appeared on the Commission's Daily Calendar. In addition, service was made on March 22, 1976, to the Governor of California, Board of Supervisors for Alameda, San Francisco, Santa Clara and Los Angeles Counties, Mayors for the Cities of San Francisco, San Jose and Los Angeles, and several air carriers providing passenger and freight service in California. No protest to the granting of the application or request for public hearing has been received.

Under the circumstances, the Commission finds:

1. TWA's California operations were conducted at a loss for the year ended December 31, 1975.
  2. The increased revenue from the freight rates sought herein would not cause TWA's California operations to be profitable.
  3. The increased freight rates proposed herein are justified.
  4. A public hearing is not necessary.
- The application should be granted.




O R D E R

IT IS ORDERED that:

1. Trans World Airlines, Inc., is authorized to increase its California intrastate air freight rates as proposed in Application 56356.
2. 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 less than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public.
3. The authority granted herein shall expire unless exercised within ninety days after the effective date of this order.

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

Dated at San Francisco, California, this 11<sup>th</sup>  
day of MAY, 1976.

  
President  
William S. Gerson  
  
  
Commissioners