

Decision No. 86416

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of NATIONAL AIRLINES, INC.)
for authority to increase certain intra-) Application No. 56665
state passenger fares.) (Filed August 2, 1976)

O P I N I O N

National Airlines, Inc. (National) is engaged in intrastate and interstate air transportation of passengers, property, and mail. Its intrastate services in California provide service to and from Los Angeles and San Diego.

National seeks authority to increase its intrastate first class and coach fares to correspond to those applicable between competitive points authorized to Pacific Southwest Airlines (PSA) by Decision 85339 in Application 55160 and to United Airlines, Inc. (United) by Decision 85341 in Application 55615, both dated January 13, 1976. The present and proposed intrastate first class and coach fares (including security charge) are set forth in Appendix A.

National states that its proposed coach increase will match PSA, the principal ratemaking carrier in California intrastate markets. The first class increase will match United's first class fare already in effect.

The increases proposed by National will produce added revenues of \$1,360 per month or \$16,320 annually. No traffic loss is anticipated. This estimate is based on a summary of four months ended June 30, 1976 of accumulated revenues. Based on current expenses, adjusted for length-of-haul (109 miles), National would have had an operating loss of \$955,161 even if the fare increase had been effective for the past four-month period.

National requests that this application be acted upon without hearing, in view of the operating losses now being incurred by it from its California intrastate first class and coach operations over the route involved and because of the asserted desirability of maintaining a parity of first class and coach fares published by

National, PSA and United. The application shows it was served in accordance with the Commission's procedural rules and notice of the filing of the application appeared on the Commission's Daily Calendar. There are no protests.

In the circumstances, the Commission finds that the proposed increased fares are justified. A public hearing is not necessary. The application should be granted. The effective date of the order should be the date of issuance inasmuch as National's present operations over its California intrastate routes are not conducted at a profit.

O R D E R

IT IS ORDERED that:

1. National Airlines, Inc. is authorized to establish the proposed increased air fares set forth in Appendix A attached hereto.
2. 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.
3. 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 21st
day of SEPTEMBER, 1976.

President

William L. Sproull, Jr.

Norman L. Shingler

Leonard Ross

Robert Bateman

Commissioners

NATIONAL AIRLINES, INC.Present And Proposed Fares ^{1/}
Between Los Angeles And San Diego

(1)	(2)	(3)
<u>Type of Fare (Class)</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
First Class	\$17.64	\$20.93
Coach	\$10.60	\$11.34

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