

Decision No. 86454

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Golden West )  
 Airlines, Inc. for an Order )  
 to increase its Intrastate )  
 General Commodity Air Freight )  
 Rates )

Application No. 56664  
 (Filed August 2, 1976)

O P I N I O N

Golden West Airlines, Inc., is a common carrier by air of passengers and property, operating between certain points within California and between the mainland of California and Catalina Island, pursuant to a Certificate of Public Convenience and Necessity issued by this Commission.

Golden West Airlines, Inc., is also a commuter air carrier by definition of Part 298 of the Civil Aeronautics Board's (CAB) Rules and Regulations and, as such, also operates in interstate commerce by providing local connecting services at hub airports with interstate carriers operating between California cities and points in other states.

Golden West's air freight volume has not increased because the size of its aircraft limits the amount of air freight which may be carried. Applicant has not increased its general commodity rates over its current route structure since inauguration of service in March 1969. In fact, Golden West reduced rates in its General Commodity Air Freight Tariff effective February 10, 1971, in all current markets in accordance with Rule 2.5 of General Order 105-A of the Commission's rules governing the filing of tariffs.

The carrier proposes to increase its minimum charge per shipment from \$5.00 to \$8.00 and to increase its rates per pound from 5-6 cents to 10-12 cents. It also proposes to discontinue the 100 lb. and 500 lb. rates so that the per pound rate will also apply to the larger shipments. Flowers and fresh fruit are being added to the existing exceptions to the general commodity rates at a similar

exception of 200% of the rates. Also rates are proposed to be discontinued at points in its tariff which are no longer served.

Applicant alleges that the continued rapid escalation of operating costs makes this rate increase necessary. It also desires to establish and maintain some parity of air freight rates with other air carriers. Applicant claims that its operations have not yet been profitable on an annual basis and the requested increase will not cause the operating ratio or rate of return to be excessive.

The estimated annual general commodity air freight revenue increase of \$57,024 under proposed rates represents approximately a one percent increase in total annual operating revenue to the applicant. Operating revenues for the year ended April 31, 1976, were reported as \$5,629,492.

Applicant served a copy of the application upon all state, federal, county, and city officials that may have an interest in this application, as well as all of the major airlines operating in California. Notice of the filing of the application appeared in the Commission's Daily Calendar. There are no protests.

The proposed freight rate increases will not provide applicant with excessive earnings. The proposed rates will result in a more simplified rate structure. The rate increases are justified.

O R D E R

IT IS ORDERED that:

1. Golden West Airlines, Inc., is authorized to increase its intrastate general commodity air freight rates as proposed in Application 56664.
2. Golden West Airlines, Inc., is also authorized to (a) discontinue freight rates to points in its tariff not served, (b) discontinue the 100-pound and 500-pound rates and (c) change the rules as proposed in Exhibit B of Application 56664.
3. Tariff publications authorized to be made as a result of this order may be made effective not less than five days after the effective date of this order on not less than five days' notice to

the Commission and the public.

4. 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 5th  
day of OCTOBER, 1976.

[Signature]  
President

William Lyons, Jr.

Vernon L. Stenger

Moz  
Robert Bateman  
Commissioners