

Decision No. 86603**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DELTA AIR LINES, INC.)  
 for authority to increase certain ) Application No. 56788  
 intrastate passenger fares ) (Filed October 1, 1976)

OPINION

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

Delta seeks to increase 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)	\$17.64	\$17.64	\$ -
Deluxe Night Coach (FN)	10.60	11.34	.74
Coach (Y)	10.60	11.34	.74
Night Coach (YN)	8.50	9.07	.57

The application states that the proposed higher fares are comparable to the increased fares authorized to Pacific Southwest Airlines, Inc. (PSA) in Decision 85339, dated January 13, 1976, and to United Airlines in Decision 85341, dated January 13, 1976. 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. Delta's proposed coach fare is similar to PSA's commuter fare. No change has been proposed in Delta's existing first class fares, and Delta's night coach fares would be adjusted in accordance with current intrastate percentage relationships.

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.

The application states that the increased fares would have produced added revenues of \$85,252 had they been in effect for the twelve months ended June 30, 1976. The application alleges that if the proposed fares had been in effect for the year ended June 30, 1976, Delta's operating loss would have been \$5,721,675, and at the existing fare level Delta alleges an operating loss for the same period of \$5,803,694.

Delta requests that this application be acted upon without hearing, and the proposed fares be authorized effective on five days' notice to the Commission and to the public.

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 air fares applicable over the route segment served by it in California.
2. The coach fares are proposed to be increased to a level heretofore authorized to PSA. The first class fares are not proposed to be increased.
3. The Commission has held in prior proceedings that PSA is the fare setting carrier over the route segment here in issue.
4. The proposed fare increases are estimated to produce added annual revenues of approximately \$85,000.
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 56788.
2. Tariff publications authorized to be made as a result of the

order herein 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.

Since the fare increase will not result in profitable intrastate operations for the applicant, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 9<sup>th</sup> day of NOVEMBER, 1976.

*I dissent because of the effective date being the date hereof  
William Synons - J*

*[Signature]*  
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President

*[Signature]*  
\_\_\_\_\_  
Commissioner

*[Signature]*  
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Commissioners

Commissioner Leonard Kossy, being necessarily absent, did not participate in the disposition of this proceeding.