

Decision No. 8751E June 28, 1977**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of TRANS WORLD)	
AIRLINES, INC., for authority)	Application No. 57164
to increase certain intrastate)	(Filed March 22, 1977)
air freight rates.)	

O P I N I O N

Trans World Airlines, Inc. (TWA) is engaged in intrastate and interstate air transportation of passengers, property, and mail. TWA also performs international air service between the United States and various points in Europe, the Near East, and Asia. TWA's present intrastate services in California include service to and from Los Angeles, San Francisco, and Oakland.

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

	<u>Present Rate</u>	<u>Proposed Rate</u>
Minimum Charge	\$12.00	\$14.00
Rate per Hundredweight	\$ 8.50	\$10.00

The airline also requests the authority to establish intrastate freight rates of \$10.00 per hundred weight and minimum charge of \$14.00 between Los Angeles and San Jose, between Ontario and San Francisco/Oakland/San Jose, and between Oakland and San Francisco.

In support of this request, the application alleges as follows:

By reason of the relatively short distance involved and the effect of intrastate carrier fares and rates upon TWA's fares and rates, TWA's service within California has been conducted at an operating loss. The following table is a summary of TWA's losses from operations, both interstate and intrastate, on its Los Angeles-San Francisco route for the twelve months ended December 31, 1976 based on the carrier's allocation.

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TRANS WORLD AIRLINES, INC.
Los Angeles - San Francisco Segment
Operating Statement

Scheduled Service

Calendar Year Ended December 31, 1976

(Thousands)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>Operating Revenues</u>	
1	Passenger	\$ 8,835
2	Cargo <u>1/</u>	715
3	Transport Related Revenues	<u>426</u>
4	Total Operating Revenues	\$ <u>9,976</u>
	<u>Operating Expenses</u>	
5	Aircraft Operating Expenses Excluding Fuel and Oil	\$ 5,738
6	Fuel and Oil	3,046
7	Traffic Handling	8,409
8	Transport Related Expenses	<u>302</u>
9	Total Operating Expenses	<u>\$17,495</u>
10	Operating Profit(Loss)	<u><u>\$(7,519)</u></u>

1/ Includes Freight, Express and Mail.

On the basis of traffic during the twelve months ended December 31, 1976 application of the proposed rates to the Los Angeles-San Francisco route would have resulted in an annual gross revenue increase of \$22,100.

In view of the operating losses now being incurred by applicant from its California intrastate operations over the routes involved, and that these operations will continue to be conducted at a loss after the proposed increases, TWA requests that the Commission act on this application without a hearing.

The application was served in accordance with Commission rules. Notice of the filing of the application appeared on the Commission's Daily Calendar. 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, 1976.
2. The proposed increases in the present freight rates will result in an increase in annual gross revenue of \$22,100 or approximately two tenths of one percent of its intra-California gross operating revenues.
3. The increased revenue from the freight rates sought herein would not cause TWA's California operations to be profitable.
4. The increased freight rates proposed herein are justified.
5. TWA may establish rates for new service by tariff filing.
6. A public hearing is not necessary.

The Commission concludes that 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 57164.

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 day's 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 28th day of JUNE, 1977.

Robert B. Berman

President

William J. Quinn, Jr.

Yvonne L. Sturgeon

Robert P. Howell

Commissioners