

Decision No. 87945 OCT 4 1977**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of FLYING TIGER LINE)
INC., for authority to increase)
intrastate air freight rates)Application No. 57307
(Filed May 16, 1977)OPINION AND ORDER

Flying Tiger Line Inc. (Flying Tiger) is engaged in the intrastate and interstate air transportation of freight. Within the State of California, Flying Tiger provides air freight transportation between the Los Angeles and San Francisco-Oakland airports. The major maintenance overhaul base for Flying Tiger's system is located at the Los Angeles International Airport.

By this application, Flying Tiger seeks authority to increase its intrastate air freight rates, for the first time since 1959, as set forth in the following examples:

| | Present Rates in Dollars & Cents per 100 Pounds | Proposed Rates in Dollars & Cents per 100 Pounds |
|----------------------|--|---|
| Minimum Charge | \$ 4.00 | \$ 12.00 |
| General Commodities: | | |
| Minimum 1,000 lbs. | 5.26 | 8.50 |
| Minimum 2,000 lbs. | 5.15 | 8.35 |

In support of this request, Flying Tiger alleges the following: Whereas the carrier's intrastate freight revenue for the calendar year ending December 31, 1976, was \$105,581, its fully allocated costs for the same period was \$226,671, resulting in an operating loss for its California intrastate air freight operations of \$121,090. The carrier further alleges, in support of its sought increase, that from June 1973 to August 1974 alone the cost of jet fuel had increased from 12.2 cents per gallon to 31.9 cents per gallon, or a percentage increase of 161.6. In the area of labor costs, the carrier's internal records indicate that these specific costs have risen an average of 205% since 1959.

Although the applicant's sought increases if in effect, would have produced an additional \$65,000 for calendar year 1976, the carrier still would have experienced an operating loss in excess of \$55,000.

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

The application was listed on the Commission's Daily Calendar of May 17, 1977. No protest or request for public hearing has been received.

In the circumstances, the Commission finds:

1. Flying Tiger'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 \$65,422.
3. The increased revenue from the freight rates sought herein would not cause Flying Tiger's California intrastate operations to be profitable.
4. The increased freight rates proposed herein are justified.
5. A public hearing is not necessary.

The Commission concludes that the application should be granted.

IT IS ORDERED that:

1. Flying Tiger Line, Inc., is authorized to increase its California intrastate air freight rates as proposed in Application 57307.
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 earlier 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 4th day of OCTOBER, 1977.

Robert Bateman
President

Vernon L. Sturgeon
Richard D. Hoyle

Commissioners

*See my concurrence
on appl. 57503*

Robert Bateman

Richard D. Hoyle

Vernon L. Sturgeon

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.