

ORIGINAL

Decision No. ~~50007~~ DEC 13 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

WESTERN AIR LINES, INC.

for authority to increase intrastate passenger fares

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Application No. 57457
(Filed July 18, 1977)
(Amended October 6, 1977
and November 25, 1977.)



O P I N I O N

Western Airlines, Inc. (Western) is an air common carrier of passengers and property between points in the United States, including California, and Canada and Mexico. Within California, Western provides service between San Francisco, Oakland, San Jose, Sacramento, Los Angeles, Ontario (San Bernardino), Palm Springs, and San Diego.

On February 15, 1977, Western filed Application 57081 for a general increase for its intra-California passenger air fares to the same level as requested in Pacific Southwest Airlines' (PSA) general fare increase, Application 56973 and Air California's general fare increase, Application 56790. In Decision No. 87974, dated October 12, 1977, Western was authorized to increase its commuter air fares in its markets where it competes with Air California to the same level as those granted to Air California by Decision No. 87938. In Decision No. 88183, dated November 29, 1977, Western was authorized to increase its commuter fares in its markets where it competes with PSA to the level requested by Western which was less than the amount granted to PSA by Decision No. 88180. In Decision No. 88180, PSA was allowed an overall increase of 8.37 percent and was authorized the fare requested in its first amendment to Application 56973.

By this application, as amended November 25, 1977, Western seeks an additional increase to its intra-California passenger air fares to match the level of fares requested by PSA in its first amendment to Application 56973.

The application alleges that the fare increase proposed by Western would produce added revenues of \$1,478,069 assuming no loss of traffic. Western asserts that it is reasonably justified in requesting a fare increase to match the increases granted to other carriers in intra-California markets.

Western requests that the Commission issue an ex parte order finding that fares proposed by it are reasonable. Western further requests authority to place the increased fares in effect on five days' notice. Copies of the application were served in accordance with Commission rules and notice of the filing of the application appeared on the Commission's daily calendar. There are no protests or requests for public hearing.

In recognition of the Commission's prior findings that PSA and Air California are the rate-making carriers in the principal California intrastate markets and in recognition of the Commission's prior findings allowing Western to increase its first-class fares and other fares not directly competitive with PSA and Air California by the percentage increase allowed PSA or Air California, the staff has recommended that the increased fares in Appendix A be authorized. The commuter fares in Appendix A are at the level requested by Western in this application and match those granted PSA by Decision No. 88180. The first-class and military fares in Appendix A are also at the level requested by Western in this application as the percent increase is less than the overall 8.37 percent increase granted to PSA by Decision No. 88180.

The increased fares as set forth in Appendix A will produce additional annual revenue of approximately \$1,456,000 or 4.2 percent of the gross annual intrastate operating revenue.

F I N D I N G S

1. Western seeks authority in Application 57457 to increase its intra-California passenger air fares as set forth in Appendix A of the application, as amended.

2. The Commission historically has considered PSA and Air California to be the low-cost (rate making) carriers in the California corridor and, in the past, has authorized other passenger air carriers to raise their commuter air fares to the level authorized to PSA and/or Air California between competitive points, and also has authorized proportionate increase in fares for other classes of service.

3. Western was authorized to increase many of its intra-California passenger fares by Decision No. 87974, dated October 12, 1977 and Decision No. 88183, dated November 29, 1977.

4. Western should be authorized to increase commuter air fares which are competitive with PSA's fares authorized in Decision No. 88180, dated November 29, 1977, as set forth in Appendix A of this decision and to increase its fares for other classes of service which are increased less than the overall percentage authorized in Decision No. 88180.

5. Western's increase in air fares as set forth in Appendix A of this decision will produce additional annual revenue of approximately \$1,456,000 or 4.2 percent of the gross annual intrastate operating revenue.

6. 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.

7. The increased fares as set forth in Appendix A of this decision are justified. A public hearing is not necessary.

C O N C L U S I O N

The Commission concludes that Western should be granted authority to increase its fares to the extent found justified above.

O R D E R

IT IS ORDERED that:

1. Western Airlines, Inc. is authorized to establish the increased passenger air fares set forth in Appendix A attached hereto and made a part hereof.
2. Tariff publications authorized to be made as a result of this order may be made effective not earlier than January 1, 1978 on not less than ten 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 13th day of DECEMBER, 1977.

Robert Batemanich
President
William Seymour J.
Thomas L. Spurgeon
Robert D. Heath
Clare J. Smith
Commissioners

WESTERN AIRLINES, INC.PRESENT AND AUTHORIZED COMMUTER/COACH/NIGHT COACHFARES BETWEEN POINTS WITHIN CALIFORNIA

<u>Between/and</u>	<u>Present Western Fares</u>		<u>Authorized Fares</u>	
	<u>Excluding Tax</u>	<u>Including Tax</u>	<u>Excluding Tax</u>	<u>Including Tax</u>
Los Angeles-Oakland	\$23.61	\$25.50	\$26.02	\$28.10
Los Angeles-Ontario	16.62	17.95	16.81	18.15
Los Angeles-Palm Springs	22.22	24.00	22.41	24.20
Los Angeles-Sacramento	24.54	26.50	27.41	29.60
Los Angeles-San Diego	11.34	12.25	12.32	13.31
Los Angeles-San Francisco	23.61	25.50	26.02	28.10
Los Angeles-San Jose	23.61	25.50	26.02	28.10
Ontario-San Diego	19.21*	20.75*	19.40*	20.95*
Ontario-San Francisco	24.54	26.50	27.41	29.60
Palm Springs-San Diego	21.30	23.00	21.48	23.20
San Diego-San Francisco	29.40	31.75	32.41	35.00

*Fare applies via Los Angeles. The direct fare between Ontario and San Diego, as requested by Western, was granted in Decision 87974.

WESTERN AIRLINES, INC.
PRESENT AND AUTHORIZED FIRST CLASS AND DELUXE NIGHT COACH
FARES BETWEEN POINTS WITHIN CALIFORNIA

<u>Between/and</u>	<u>Present Western Fares</u>		<u>Authorized Fares</u>	
	<u>Excluding Tax</u>	<u>Including Tax</u>	<u>Excluding Tax</u>	<u>Including Tax</u>
Los Angeles-Oakland	32.13	34.70	32.78	35.40
" " -Palm Springs	32.64	35.25	33.01	35.65
" " -Sacramento	44.95	48.55	45.32	48.95
" " -San Diego	20.83	22.50	21.30	23.00
" " -San Francisco	32.13	34.70	32.78	35.40
" " -San Jose	32.13	34.70	32.78	35.40
Oakland-Ontario	45.56	49.20	45.93	49.60
" -Palm Springs	47.59	51.40	47.96	51.80
" -San Diego	51.16	55.25	52.13	56.30
" -San Jose	22.04	23.80	22.41	24.20
Ontario-San Francisco	45.56	49.20	45.93	49.60
Palm Springs-San Francisco	47.59	51.40	47.96	51.80
Sacramento-San Diego	53.75	58.05	54.12	58.45
San Diego-San Francisco	51.16	55.25	52.13	56.30
San Francisco-San Jose	22.04	23.80	22.41	24.20

WESTERN AIRLINES, INC.
PRESENT AND AUTHORIZED MILITARY FARES
BETWEEN POINTS WITHIN CALIFORNIA

<u>Between/and</u>	<u>Present Western Fares</u>		<u>Authorized Fares</u>	
	<u>Excluding Tax</u>	<u>Including Tax</u>	<u>Excluding Tax</u>	<u>Including Tax</u>
A. <u>Military Standby Fares</u>				
Los Angeles-Oakland	\$18.15	\$19.60	\$18.56	\$20.04
" " -Ontario	10.65	11.50	10.83	11.70
" " -Palm Springs	10.65	11.50	10.83	11.70
" " -Sacramento	19.95	21.55	20.37	22.00
" " -San Diego	10.19	11.01	10.37	11.20
" " -San Francisco	18.15	19.60	18.56	20.04
" " -San Jose	18.15	19.60	18.56	20.04
Oakland-Ontario	18.98	20.50	19.40	20.95
" -Palm Springs	21.34	23.05	21.76	23.50
" -San Diego	22.45	24.25	22.96	24.80
Ontario-Palm Springs	10.65	11.50	10.83	11.70
" -Sacramento	22.50	24.30	22.96	24.80
" -San Diego	10.65 ^{1/}	11.50	10.83 ^{1/}	11.70
" -San Diego	11.85 ^{1/}	12.80	12.04 ^{1/}	13.00
" -San Francisco	18.98	20.50	19.40	20.95
Palm Springs-Sacramento	24.86	26.85	25.28	27.30
" " -San Diego	10.65	11.50	10.83	11.70
" " -San Diego	14.21	15.35	14.40	15.55
" " -San Francisco	21.34	23.05	21.76	23.50
Sacramento-San Diego	23.98	25.90	24.49	26.45
San Diego-San Francisco	22.45	24.25	22.96	24.80
" " -San Jose	22.45	24.25	22.96	24.80
B. <u>Military Leave Reservation Fares</u>				
Los Angeles-Palm Springs	13.06	14.10	13.24	14.30
" " -San Diego	11.34	12.25	12.32	13.31
Oakland-Palm Springs	27.22	29.40	27.64	29.85
Ontario-San Diego	15.37	16.60	15.56	16.80
Palm Springs-San Francisco	27.22	29.40	27.64	29.85
Sacramento-San Diego	29.68	32.05	29.91	32.30

^{1/} Lower fare applies direct; higher fare applies via Los Angeles.

WESTERN AIRLINES, INC.
PRESENT AND AUTHORIZED EXPERIMENTAL STANDBY FARES
BETWEEN POINTS WITHIN CALIFORNIA

<u>Between/and</u>	<u>Present Western Fares</u>		<u>Authorized Fares</u>	
	<u>Excluding Tax</u>	<u>Including Tax</u>	<u>Excluding Tax</u>	<u>Including Tax</u>
Los Angeles-San Francisco	\$15.74	\$17.00	\$17.96	\$19.40