

Decision No. 88624 MAR 21 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF EUREKA AERO)
INDUSTRIES, INCORPORATED, FOR AN)
EX-PARTE ORDER TO INCREASE ITS)
INTRASTATE FREIGHT RATES.)

Application No. 57789
(Filed January 9, 1978)

OPINION AND ORDER

By this application, Eureka Aero Industries, Incorporated (Eureka Aero) seeks authority to increase its air freight rates as set forth below on an ex parte basis and in support thereof, states as follows:

1. Eureka Aero is a common carrier by air of passengers and property operating intrastate service and certificated by this Commission to serve the airports of Eureka, Chico, Sacramento, Oakland, Santa Rosa and Redding. Authority to serve these airports was granted by this Commission in Decisions 80076, 85268 and 86385.
2. There have been no increases in Eureka Aero's air freight rates since Decision 80076, dated May 18, 1972, by its Application 52991, which was filed on November 11, 1971.
3. The requested increases in freight rates will produce an additional annual revenue of approximately \$12,000 which amounts to 1.4 percent of the airline's gross annual commuter operating revenues.
4. Since Decision 80076, Eureka Aero has experienced increases in labor costs, direct aircraft maintenance cost, fuel costs, terminal station costs, landing fees and other operating expenses, and it is anticipated these costs will continue to rise.

5. At present, Eureka Aero has a general freight rate of 10¢ per pound with a \$5.00 minimum charge. Further, the company at present has no low density cubic foot rate. The company is requesting to increase its general freight rate to 15¢ per pound with a \$7.00 minimum charge. Furthermore, it is requesting to add a low density cubic foot rate (dimensional weight rate) to its tariffs using the standard formula: Length X width X height ÷ 250 (dimensions are expressed in inches). The shipper will be charged the higher of the standard or the dimensional weight rate. This dimensional weight rate is accepted in the industry as necessary to preclude the company's available freight space from being used up by light and bulky merchandise at a non-compensatory rate and is reasonable.

Applicant asserts that increases resulting from the proposal herein would not increase its California intrastate gross revenue by as much as two percent. The application was listed on the Commission's Daily Calendar of January 11, 1978. No objection to the granting of the application has been received.

The Commission finds that increases resulting from the air freight rates as proposed in the application are justified. A public hearing is not necessary. The Commission concludes that the application should be granted.

IT IS ORDERED that:

1. Eureka Aero is hereby authorized to increase its air freight rates as specifically proposed in the application.
2. Tariff publications authorized to be made as a result of the order may be made effective not earlier than the effective date of this order on not less than ten days' notice to the Commission and to the public.
3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 21st day of MARCH, 1978.

Robert Batimil
President
William J. J. J.
Virginia L. Sturgeon
Clayton D. Howell
Clare T. Daniels
Commissioners