

ORIGINALDecision No. 88786 MAY 2 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SWIFT AIRE LINES,)
 INC. for Authority to Increase)
 Intra-State Passenger Fares)

Application No. 57893
 (Filed February 27, 1978)

O P I N I O N

Swift Aire Lines, Inc., (Swift) is an intrastate passenger air carrier serving intermediate points between Los Angeles, San Francisco and Sacramento. By this application it seeks authority to increase fares approximately 5 percent in order to offset increased operating costs. Present fares were authorized by the Commission in Decision No. 88066, dated November 18, 1977.

In support of its application, the carrier states as follows:

1. Swift began operation as a scheduled passenger air carrier in March 1969. Since the inauguration of service, Swift Aire has applied for a general fare increase in Application 56082, dated November 19, 1975, wherein a 4.7% increase was sought and in Application No. 57487 dated August 1, 1977 wherein a 5.48% increase was sought. Decision No. 85969, dated June 15, 1976 and Decision No. 88066, dated November 1, 1977 granted these requests, respectively.
2. Swift still finds that due to inflation and cost escalations of virtually every phase of the business since January 1, 1977, that relief in the form of a fare increase must be sought.
3. Examples of this inflation and cost escalations are Nord engine overhaul 10% increase, propeller overhaul 16% increase and a one cent a gallon fuel increase.

Exhibit B of the application shows an income statement for the year 1977. Revenues were \$4,762,030 of which \$4,618,211 was from passenger fares. Expenses were \$5,094,614. The operating loss for the year was \$332,584.

The staff estimates that the proposed rates would increase the carrier's annual gross revenues by approximately \$263,100 or an increase of 4.8 percent.

F I N D I N G S

1. Applicant seeks to increase its intrastate passenger fares to offset the increased operating costs.
2. Swift's present passenger rates were authorized by the Commission in Decision No. 88066, dated November 18, 1977.
3. The carrier's operation in the year ended December 31, 1977, resulted in a gross operating revenue of approximately \$4,762,030, an operating expense of approximately \$5,094,614 resulting in an annual operating loss of approximately \$332,584, and an operating ratio before taxes of 107 percent.
4. The proposed fare increases will produce an additional annual gross revenue of approximately \$263,100 or an increase of 4.8 percent, which should offset the current annual operating loss.
5. The increases in the passenger fares proposed herein are justified.
6. Notice of the filing of the application appeared on the Commission's Daily Calendar.
7. No protest has been filed with the Commission regarding this application.

We conclude that the applicant should be authorized to establish the proposed increased fares. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Swift Aire Lines, 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 on not less than ten days' notice to the Commission and to the public.
3. The authority shall expire unless exercised within ninety days after the effective date of this order.

4. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order 105-Series.

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

Dated at San Francisco, California, this 2nd day
of MAY, 1978.

Roluit Batnick

President

William Synow Jr

Yessie L. Sturgeon

Richard D. Goolsby

Clara J. DeBriand

Commissioners

SWIFT AIR LINES, INC.
PRESENT AND PROPOSED FARES

| BETWEEN | PRESENT | | PROPOSED | | INCREASE | |
|----------------------------|---------|----------|----------|----------|----------|----------|
| | BASE | WITH TAX | BASE | WITH TAX | BASE | WITH TAX |
| San Francisco/San Jose | 15.74 | 17.00 | 17.13 | 18.50 | 1.39 | 1.50 |
| Paso Robles | 28.70 | 31.00 | 30.09 | 32.50 | 1.39 | 1.50 |
| San Luis Obispo | 31.48 | 34.00 | 32.87 | 35.50 | 1.39 | 1.50 |
| Santa Maria | 32.41 | 35.00 | 33.80 | 36.50 | 1.39 | 1.50 |
| San Jose/Paso Robles | 26.85 | 29.00 | 28.24 | 30.50 | 1.39 | 1.50 |
| San Luis Obispo | 29.63 | 32.00 | 31.02 | 33.50 | 1.39 | 1.50 |
| Santa Maria | 31.48 | 34.00 | 32.87 | 35.50 | 1.39 | 1.50 |
| Paso Robles/Los Angeles | 31.48 | 34.00 | 32.87 | 35.50 | 1.39 | 1.50 |
| San Luis Obispo/Sacramento | 34.26 | 37.00 | 35.65 | 38.50 | 1.30 | 1.50 |
| Fresno | 26.85 | 29.00 | 28.24 | 30.50 | 1.39 | 1.50 |
| Los Angeles | 29.63 | 32.00 | 31.02 | 33.50 | 1.39 | 1.50 |
| Sacramento/Fresno | 26.85 | 29.00 | 28.24 | 30.50 | 1.39 | 1.50 |
| Visalia | 29.63 | 32.00 | 31.02 | 33.50 | 1.39 | 1.50 |
| Bakersfield | 36.11 | 39.00 | 37.50 | 40.50 | 1.39 | 1.50 |
| Santa Maria | 36.11 | 39.00 | 37.50 | 40.50 | 1.39 | 1.50 |
| Fresno/Visalia | 15.74 | 17.00 | 17.13 | 18.50 | 1.39 | 1.50 |
| Bakersfield | 22.22 | 24.00 | 23.61 | 25.50 | 1.39 | 1.50 |
| Los Angeles | 30.56 | 33.00 | 31.95 | 34.50 | 1.39 | 1.50 |
| San Jose | 25.00 | 27.00 | 26.39 | 28.50 | 1.39 | 1.50 |
| San Francisco | 26.85 | 29.00 | 28.24 | 30.50 | 1.39 | 1.50 |
| Santa Maria/Los Angeles | 25.00 | 27.00 | 26.39 | 28.50 | 1.39 | 1.50 |
| Fresno | 29.63 | 32.00 | 31.02 | 33.50 | 1.39 | 1.50 |
| Bakersfield/Los Angeles | 23.15 | 25.00 | 24.54 | 26.50 | 1.39 | 1.50 |
| Visalia | 18.52 | 20.00 | 19.91 | 21.50 | 1.39 | 1.50 |
| San Jose | 32.41 | 35.00 | 33.80 | 36.50 | 1.39 | 1.50 |
| San Francisco | 35.18 | 38.00 | 36.57 | 39.50 | 1.39 | 1.50 |
| Santa Maria | 35.18 | 38.00 | 36.57 | 39.50 | 1.39 | 1.50 |
| Visalia/Los Angeles | 26.85 | 29.00 | 28.24 | 30.50 | 1.39 | 1.50 |
| San Jose | 27.78 | 30.00 | 29.17 | 31.50 | 1.39 | 1.50 |
| San Francisco | 29.63 | 32.00 | 31.02 | 33.50 | 1.39 | 1.50 |