

Decision No. 89164 JUL 25 1978**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Air California under )  
 the Shortened Procedure Tariff Docket ) (SPT) Application No. 58109  
 to discontinue Commuter Discount fares) (Filed May 30, 1978)  
 and Tour Basing fares on not less than)  
 five (5) days notice. )

O P I N I O N

By this application, Air California, seeks authority to discontinue its Commuter Discount fares published in its tariff, Cal. P.U.C. No. 1, Rule 2G, and its Tour Basing fares, published in its tariff, Cal. P.U.C. No. 11, as indicated below:

<u>Fare</u>	<u>F A R E      L E V E L S</u>	
	<u>Current</u>	<u>Proposed</u>
Commuter Discount	Ninety-five (95) percent of applicable adult full fare	One Hundred (100) percent of applicable adult full fare
Tour Basing	Seventy-five (75) percent of applicable adult full fare	One Hundred (100) percent of applicable adult full fare

Air California cites the following facts and circumstances as basis for this application:

- A. Commuter Discount Fare: The Commuter Discount fare was filed for the specific purpose of (a) reducing the amount of paper work for ticket accountability by Air California and the regular commuter, (b) making it easier and faster for the commuter, both in acquiring his ticket, and checking in for flights, and (c) offering the commuter a five percent discount for buying tickets in bulk quantities.

The company states that it has encountered numerous problems associated with the Commuter Discount fare, such as:

- (1) Tickets are being presented for travel which are improperly completed, or lack validation, or are

presented by someone other than the specified ticket holder, or are issued for travel between points other than the ticket holders designated reservation.

- (2) The above problems manifest themselves at boarding areas and cause delayed flights, inconvenienced passengers, and passengers traveling under names other than what is indicated on the ticket.
- (3) The company claims that it has encountered accounting problems dealing with voided and refunded tickets. These problems are due primarily to the situations named in (1) and (2) above.

B. Tour Basing Fare: The Tour Basing fare was filed for the specific purpose of (a) attracting discretionary travelers to San Diego and (b) increasing load factors on its nonstop flights between San Jose and San Diego. In 1977, Air California alleges it carried approximately 89,000 on-board passengers on its San Diego-San Jose nonstop segment. Passengers utilizing the Tour Basing fare were approximately 200, which represents .2 percent of the total passengers carried.

The company states that its proposed deletion of the Commuter Discount fare and the Tour Basing fare will increase its gross revenues by a mere 0.02 percent, or \$17,074 for 1978 based on a projected 1978 total revenue of \$68,607,000.

The company does not believe that a public hearing is required for its proposed deletion of fares, in that (a) such deletion is due to administrative and technical problems associated with the Commuter Discount fare and the failure of the Tour Basing fare to stimulate sales and traffic growth; and (b) such increases due to deletion of the fares would have a minimal effect upon its revenues.

The application was filed on May 30, 1978, and appeared on the Commission's calendar of June 5, 1978. No protests or requests for public hearing have been received. After due consideration, the Commission concludes the applicant's request is reasonable and should be granted. A public hearing is not necessary.

Inasmuch as there has been no showing of urgency, tariff filings may be filed on ten days' notice to the Commission and to the public.

O R D E R

IT IS ORDERED that:

1. Air California is authorized to delete its Commuter Discount fares and its Tour Basing fares as proposed in this application.
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, on or after the effective date of this order.
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 25<sup>th</sup> day of JULY, 1978.

Robert Bateman  
President  
William Lyndon J.  
Vernon L. Lingen  
Richard B. Howell  
Clair D. Smith  
Commissioners