

§ 399.34 Intra-Hawaii and Intra-Puerto Rico/Virgin Islands fare flexibility.

For scheduled service within Hawaii, and within and between Puerto Rico and the Virgin Islands, certificated air carriers have the fare flexibility set forth in §§ 399.32 and 399.33, except that:

(a) Instead of the limits set forth in § 399.32(d), the upper limit of the zone for Puerto Rico/Virgin Islands is 30 percent above the SIFL, and for Hawaii is 30 percent above the SHFL; and

(b) The fare flexibility set forth in § 399.33(a) (first class) does not apply to service within Hawaii.

APPENDIX A TO § 399.34—UNITED STATES-PUERTO RICO ENTITY
[Normal fares in selected markets—comparison with SIFL]

Market	Rate-making mileage	DPFI formula fare July 1977	July 1977 normal fare level				DPFI formula May 1980	May 1980 normal fare level			
			Peak		Offpeak			Peak		Offpeak	
			Mid week	Week end	Mid week	Week end		Mid week	Week end	Mid week	Week end
San Juan:											
Atlanta	1,547	\$130.81	.....	.....	.....	.....	\$203.53	.....	.....	.....	.....
Eastern .....	.....	.....	\$113	\$113	\$107	\$107	.....	\$176	\$176	\$166	\$166
Boston	1,674	139.04	.....	.....	.....	.....	216.33	.....	.....	.....	.....
American .....	.....	.....	.....	.....	.....	.....	.....	209	218	199	209
Eastern .....	.....	.....	122	128	116	122	.....	209	218	198	209
Chicago	2,072	164.83	.....	.....	.....	.....	256.45	.....	.....	.....	.....
American .....	.....	.....	149	149	143	143	.....	232	232	222	222
Eastern .....	.....	.....	149	149	143	143	.....	232	232	222	222
Miami	1,045	97.09	.....	.....	.....	.....	151.06	.....	.....	.....	.....
American .....	.....	.....	.....	.....	.....	.....	.....	121	131	113	121
Delta .....	.....	.....	.....	.....	.....	.....	.....	121	131	113	121
Eastern .....	.....	.....	78	84	72	78	.....	121	131	112	121
Pan Am (National) .....	.....	.....	78	84	72	78	.....	122	122	122	122
New York	1,597	134.05	.....	.....	.....	.....	208.57	.....	.....	.....	.....
American .....	.....	.....	108	114	102	108	.....	175	196	175	196
Eastern .....	.....	.....	108	114	102	108	.....	175	196	175	196
Pan Am .....	.....	.....	.....	.....	.....	.....	.....	147	147	147	147
Philadelphia	1,576	132.69	.....	.....	.....	.....	206.45	.....	.....	.....	.....
American .....	.....	.....	115	121	109	115	.....	197	208	187	197
Eastern .....	.....	.....	115	121	109	115	.....	175	196	175	196
Washington	1,565	131.97	.....	.....	.....	.....	205.34	.....	.....	.....	.....
American .....	.....	.....	114	120	108	114	.....	187	197	176	187
Eastern .....	.....	.....	114	120	108	114	.....	195	206	184	195
Pan Am (National) .....	.....	.....	.....	.....	.....	.....	.....	147	147	147	147

APPENDIX B TO § 399.34—SELECTED FARE AND SERVICE DATA FOR SEATTLE-ALASKA MARKETS

Market	Rate-making mileage	Actual July 1977 Y fare	DPFI formula fare May 1980 ¹	SIFL formula fare May 1980 ¹⁰	Y fare as of June 1980 ²		O. & D. passengers Y/E Aug. 30, 1979 ³	Carriers providing single plane service June 1980 ⁴
					Alaska Airlines	Wien Alaska		
Seattle:								
Anchorage	1,448	\$119.00	\$193.52	\$185.14	\$159	\$159	196,630	AS/NW/WA/WC
Cordova	1,293	118.62	176.85	184.55	178	.....	4,330	AS
Fairbanks	1,533	131.00	201.85	203.81	204	204	44,910	AS/NW/WC
Gustavus (Via JNU)	950	109.62	140.74	170.55	138	.....	1,340	AS
Juneau	909	90.62	137.04	140.99	141	141	40,110	AS/WC
Ketchikan	680	71.62	112.96	111.43	112	112	34,970	AS/WC
Petersburg (Via KTN)	790	89.22	124.07	138.81	138	.....	6,870	AS
Sitka	862	85.62	131.48	133	133,21	.....	17,240	AS
Wrangell (Via KTN)	762	89.22	121.30	138.81	138	.....	4,120	AS
Yakutat	1,092	117.62	155.56	182.99	175	.....	1,500	AS
Kenai ⁵	1,468	124.28	198.37	193.35	.....	159	2,470	WC
King Salmon ⁶	1,603	167.94	209.26	261.28	.....	200	4,090	WC
Prudhoe Bay ⁷	1,802	190.74	229.63	296.75	.....	273	960	WC
Kodiak ⁸	1,439	119.00	192.59	185.14	.....	155	11,140	WC
Homer ⁹	1,449	143.40	193.52	223.10	.....	159	1,250	WC

¹ \$25.14 plus 13.75¢ per mile (0-500); 10.49¢ per mile (501-1500); 10.08¢ per mile (1501 and over). See Order 80-4-211.
² Domestic Tariffs.
³ O. & D. Origin Destination Survey of Airline Passenger Traffic, Table 8, 12 months ended September 30, 1979.
⁴ AS=Alaska Airlines; NW=Northwest Orient Airlines; WA=Western Airlines; WC=Wien Air Alaska.

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- ⁵Via Anchorage (\$15.28).
- ⁶Via Anchorage (\$48.94).
- ⁷Via Fairbanks (\$59.74).
- ⁸Local WA Fare.
- ⁹Via Kodiak (\$24.40).
- ¹⁰July 1977 fare increased by cumulative adjustment factor of 1.5558% per Order 80-4-211.

APPENDIX C TO § 399.34—ADJUSTMENT OF THE INTRA-HAWAIIAN FARE LEVEL JULY 1, 1977, TO REFLECT COST AT 12.35 PERCENT RETURN

	Regulatory actual Y.E. March 1977			Cost inflation adjusted to July 1, 1977			July 1, 1977, at 12.35 pct R.O.I.
	Aloha	Hawaiian	Total	Aloha	Hawaiian	Total	
RPM's (000)	321,578	404,793	726,371	321,578	404,793	726,371	726,371
ASM's (000)	489,128	638,050	1,127,178	489,128	638,050	1,127,178	1,127,178
Load Factor (percent)	65.75	63.44	64.44	65.75	63.44	64.44	64.4
Yield (dollars) ²	\$0.1427	\$0.1453	\$0.1441	\$0.1427	\$0.1453	\$0.1441	\$0.1589
Operating Revenue—Total	\$47,648	\$71,599	\$119,247	.....	.....	.....	.....
Passenger Related Revenue	\$46,301	\$59,942	\$106,243	\$46,301	\$59,942	\$106,243	\$116,966
Operating Expense—Total	\$45,195	\$68,836	\$114,031	.....	.....	.....	.....
Passenger Related Expenses ..	\$43,858	\$57,501	\$101,359	¹ \$45,937	\$59,013	¹ \$104,950	\$104,950
Operating Profit—Passenger	\$2,443	\$2,441	\$4,884	\$364	\$929	\$1,293	\$12,016
Interest Expense	\$741	\$2,583	\$3,324	\$741	\$2,583	\$3,324	\$3,324
Earnings Before Tax	\$1,702	\$(142)	\$1,560	\$(377)	\$(1,654)	\$(2,031)	\$8,692
Tax at 48 Percent	\$817	\$68	\$749	\$181	\$794	\$975	\$4,172
Net Income	\$885	\$(74)	\$811	\$(196)	\$(860)	\$(1,056)	\$4,520
Return Element	\$1,626	\$2,509	\$4,135	\$545	\$1,723	\$2,268	\$7,844
Investment	\$16,192	\$47,326	\$63,518	\$16,192	\$47,326	\$63,518	\$63,518
Return on Investment (percent)	10.04	5.30	6.51	3.37	3.64	3.57	12.35
Increase Factor ³ .....	.....	.....	.....	.....	.....	.....	10.27

¹ Cost inflation to July 1, 1977; 1.047 percent for Aloha, 1.026 for Hawaiian. The differing rates for the two carriers, having equivalent aircraft and duplicate route structures, is due primarily to a shift by Hawaiian to larger DC-9-50 aircraft starting in the fourth quarter of 1976.

² Passenger revenue divided by RPM's.

³ Passenger yield at 12.35 percent return divided by actual passenger yield for the year ended March 1977.

[PS-96, 45 FR 48604, July 21, 1980]

§ 399.35 Special tariff permission.

(a) *Definition.* As used in this section, to grant STP means to approve a carrier's application for Special Tariff Permission to file a tariff on less than the statutory notice set forth in § 221.160(a) of this chapter.

(b) *Lower fares, rates, and charges.* It is the policy of the Board to grant STP for tariffs that state lower fares, rates, or charges and any rules affecting only those lower fares, rates, or charges, except that:

(1) The Board will not grant STP to match a tariff filed on statutory notice; and

(2) The Board will not grant STP if the proposed fares, rates, charges, or rules raise significant questions of lawfulness, that is, could reasonably be expected to be found unjust or unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or predatory, under current statutory or Board guidelines. In these situations, if the carrier files the tariff on statutory

notice and at the same time applies for STP to advance the tariff's effective date, the Board will use its best efforts to act within 15 days to grant or deny STP.

(c) *Higher fares or rates.* For tariffs that state higher fares or rates, and any rules affecting only those fares or rates, the Board's policy on STP is, except in unusual or emergency circumstances:

(1) To grant STP if the resulting fares or rates are within a statutory or Board-established zone of fare or rate flexibility; and

(2) Otherwise, to deny STP.

[PS-94, 45 FR 40974, June 17, 1980, as amended by PS-109, 48 FR 4279, Jan. 31, 1983]

§ 399.36 Unreasonable discrimination.

(a) As used in this section:

(1) *Unreasonable discrimination* means unjust discrimination or unreasonable preference or prejudice; and

(2) *Rate* means rate, fare, or charge.