

Decision No. 85300

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
AIRPORT TRANSPORTATION CO., aka
AIRPORT LIMOUSINE (Monterey), a
corporation, for authority to
increase rates between the Monterey
Peninsula Airport and points on the
Monterey Peninsula.

Application No. 55756
(Filed June 20, 1975;
amended October 17, 1975)

Elmer W. Roy, for applicant.
K. W. Nauman, for Services Division, U.S. Army,
Fort Ord, interested party.
Ira R. Alderson, Jr., Attorney at Law, for the
Commission staff.

O P I N I O N

Applicant operates as a passenger stage corporation in the transportation of passengers and their baggage between the Monterey Peninsula Airport, on the one hand, and Carmel, Monterey, New Monterey, Pacific Grove, Presidio of Monterey, Seaside, Fort Ord, Salinas, Del Monte Forest, Del Rey Oaks, Esalen Institute, Highlands Inn, Quail Lodge, and points intermediate thereto, on the other hand. Applicant seeks to increase its fares as follows:

Between Monterey
Peninsula Airport
And

	<u>Present Fare</u>	<u>Proposed Fare</u>	<u>% Increase</u>
Carmel	\$2.25	\$2.50 (1)	11.1%
Del Monte Forest	3.00 (1)	3.25 (1)	8.3
Del Rey Oaks	2.00	2.50 (1)	25.0
Highlands Inn	3.00 (1)	3.25 (1)	8.3
Monterey	1.50	1.75	16.7
New Monterey	2.00	2.50 (1)	25.0
Pacific Grove	2.25	2.75 (1)	22.2
Presidio of Monterey	2.00	2.25	12.5
Quail Lodge	3.00 (1)	3.25 (1)	8.3
Salinas	5.00 (2)	4.00 (3)	(20.0) Decrease
Seaside, Sand City	2.25	2.75 (1)	22.2
Fort Ord	1.25 (2)	2.75 (1)	120.0

- (1) Operation of trip subject to minimum sale of 2 or more revenue seats to or from same pickup or discharge point.
- (2) Operation of trip subject to minimum sale of 3 or more revenue seats to or from same pickup or discharge point.
- (3) Operation of trip subject to minimum sale of 4 or more revenue seats to or from same pickup or discharge point.

A duly noticed public hearing was held before Examiner O'Leary at Seaside on November 10, 1975. The matter was submitted upon the receipt of late-filed Exhibit 2 on November 19, 1975.

Applicant provides an on-call service tailored to coincide with arriving and departing flights at Monterey Peninsula Airport. With the exception of Fort Ord applicant will pick up departing passengers and discharge arriving passengers at any point within its service area. At Fort Ord, because of restrictions imposed by the United States Army, applicant may pick up or discharge passengers at only two specific locations. If passengers desire transportation beyond the two specific locations, a cab service is available.

Analysis of the application discloses that in most instances applicant is seeking an increase of 25 cents in its fare, the exceptions being to and from Del Rey Oaks, New Monterey, and Pacific Grove, where the sought increase is 50 cents, to and from Fort Ord, where the requested increase is \$1.50, and to and from Salinas, where applicant proposes a decrease of \$1.00 but seeks to increase the minimum revenue seat requirement from three to four. ✓

With respect to the fares to and from Fort Ord, applicant in its original application requested a 25 cent increase. It amended its application to request the \$1.50 increase after being made aware of a possible violation of Section 460 of the Public Utilities Code in that it would be charging more for a shorter distance (between Monterey Peninsula Airport and Seaside) than for a longer distance (between Monterey Peninsula Airport and Fort Ord) over the same route, the shorter being included in the longer distance.

The representative of the U.S. Army at Fort Ord testified that applicant's service to and from Fort Ord is utilized mainly by enlisted personnel Grades E-1 to E-3 inclusive. He anticipates that an increase of \$1.50 in the fare to and from Fort Ord would be a hardship on the personnel utilizing the service and could cause a morale problem. He stated that an increase in the fare by 75 cents to \$2.00 would be more realistic. He further testified that the taxicab fare between Fort Ord and the Monterey Peninsula Airport is approximately \$5.00 per trip. He believes that should the fare be raised to \$2.75 personnel will make arrangements to travel in groups to and from the airport via taxicab rather than utilize applicant's service.

He further testified that military personnel recently received a substantial increase in base pay. The current rates of base pay for Grades E-1, E-2, and E-3 are \$361.20, \$402.60, and \$418.20 per month, respectively. It is apparent that the present fare of \$1.25 is a depressed fare to accommodate military personnel. In view of the current rates of base pay for the personnel primarily utilizing applicant's service, an increase to \$2.00 is justified. Applicant should be authorized to depart from the provisions of Section 460 of the Public Utilities Code for transportation service between Fort Ord, on the one hand, and Monterey Peninsula Airport, on the other hand, since the service provided is different than the service provided to other points, as described above.

Exhibit 1 is an Estimated Results of Operations Study prepared by a Commission staff assistant transportation engineer which was adopted by applicant. The study discloses that during the rate year 1976 applicant's operating ratio under present fares would be 119.4 percent and under proposed increased fares would be 111.3 percent. The staff estimates that if the increase is authorized applicant would realize additional annual revenue of \$21,900.

Applicant's present fare structure provides that operation of a trip is subject to a minimum sale of two or more revenue seats to or from Del Monte Forest, Highlands Inn, and Quail Lodge. It further provides that operation of a trip is subject to a minimum sale of three or more revenue seats to or from Salinas, Esalen Institute, and Fort Ord. It here seeks to apply its two or more revenue seat provision to the points of Carmel, Del Rey Oaks, New Monterey, Pacific Grove, Seaside, Sand City, and Fort Ord. It also seeks to increase the minimum sale of revenue seats to and from Salinas to four. Applicant does not seek any change in its fare from and to Esalen Institute.

Item 90 of applicant's tariff provides in part "Passengers may elect to pay for the minimum required number of seats in lieu of boarding the minimum number of passengers in which case the trip will be operated."

The present minimum revenue seat provision contained in applicant's tariff is applicable to and from the points which are the most distant from the airport. Applicant here seeks to add the minimum revenue seat provision to and from all points except Monterey and the Presidio of Monterey, which points are intermediate to the points to and from which the minimum revenue seat provision is presently applicable. The minimum revenue seat provision presently set forth in applicant's tariff appears appropriate; however, it would not be appropriate when applied to the intermediate points and will not be authorized.

Findings

1. Applicant operates as a passenger stage corporation between the Monterey Peninsula Airport, on the one hand, and various points on the Monterey Peninsula, on the other hand.

2. Applicant's fares were last adjusted effective December 31, 1974 pursuant to authority granted by Decision No. 83591 in Application No. 54811.

3. With the exception of Fort Ord, applicant will pick up departing passengers and discharge arriving passengers at any point within its service area. ✓

4. At Fort Ord, because of restrictions imposed by the United States Army, applicant may pick up or discharge passengers at only two specific locations. ✓

5. Applicant's service between the Monterey Peninsula Airport and Fort Ord is utilized mainly by enlisted personnel Grades E-1 to E-3. ✓

6. The fare increase hereinafter granted will generate additional annual revenue of approximately \$21,000 and an operating ratio of approximately 111.5 percent.

7. The addition of the minimum revenue seat provision to points intermediate to the points from and which it presently applies is not appropriate and has not been shown to be justified.

8. The fare increases hereinafter granted have been shown to be justified.

Conclusions

1. Applicant should be authorized to establish the increased fares set forth in Appendix A of this decision.

2. To the extent not granted herein the application should be denied.

O R D E R

IT IS ORDERED that:

1. Airport Transportation Co., doing business as Airport Limousine (Monterey), is authorized to establish the increased rates set forth in Appendix A of this decision. Tariff publications authorized to be made as a result of this order may be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public.

2. Applicant, in establishing and maintaining the fares authorized by this order, is authorized to depart from the provisions of Section 460 of the Public Utilities Code for transportation service between Fort Ord, on the one hand, and Monterey Peninsula Airport, on the other hand.

3. The authority shall expire unless exercised within ninety days after the effective date of this order.

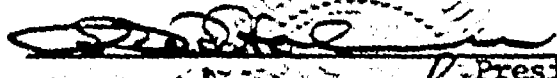
4. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall be

posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

5. To the extent not granted herein Application No. 55756 is denied. ✓

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 6th
day of JANUARY, 1976.


William Lyons, Jr. President
James L. Sturgeon
Don

Commissioners

I dissent
Patricia Babcock
Commissioner

APPENDIX A

Between Monterey Peninsula Airport
AndAuthorized Fare

Carmel	\$2.50
Del Monte Forest	3.25 (1)
Del Rey Oaks	2.50
Highlands Inn	3.25 (1)
Monterey	1.75
New Monterey	2.50
Pacific Grove	2.75
Presidio of Monterey	2.25
Quail Lodge	3.25 (1)
Salinas	4.00 (2)
Seaside	2.75
Sand. City	2.75
Fort Ord	2.00 (1)

- (1) Operation of trip subject to minimum sale of 2 or more revenue seats to or from same pickup or discharge point.
- (2) Operation of trip subject to minimum sale of 4 or more revenue seats to or from same pickup or discharge point.