

Decision 88 02 038

FEB 24 1988

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of Hassan M. Hosseini dba SUPER EXPRESS, for the authority to increase fares for the transportation of passengers on an on-call basis between points in Southbay and the Los Angeles International Airport (LAX)

ORIGINAL

Application 87-12-004 (Filed December 2, 1987)

OPINION

Hassan M. Hosseini (applicant), doing business as Super Express, is a passenger stage corporation (PSC-1388) operating door-to-door, on-call service between points in southern Los Angeles County and Los Angeles International Airport (LAX).

Applicant was granted passenger stage authority by Decision (D.) 85-07-073, dated July 10, 1985, in Application (A-) 84-10-026. On November 25, 1985, applicant established the initial fare of \$14.00 to all of his certificated service area. Subsequently, applicant established nine fare zones serving LAX and lowered fares to five of these zones. By this application, applicant is requesting authority to increase fares between LAX and certain communities.

On January 12, 1988, applicant provided the Transportation Division staff with additional information in support of the application. Applicant also amended the proposed fares as shown on Table 1.

TABLE 1

<u>Between LAX and</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
El Segundo	\$5.00	\$5.00
Manhattan Beach	8.00	8.00
Hermosa Beach	8.00	8.00
N. Redondo Beach	8.00	8.00
S. Redondo Beach	13.00	13.00
Torrance	14.00	16.00
Harbor City	14.00	17.00
San Pedro	14.00	17.00
Palos Verdes Peninsula	14.00	17.00

Applicant alleges that since his fares were established, he has experienced increases in operating costs, particularly insurance expense, which has increased 100%.

The City of Los Angeles Department of Transportation (protestant) filed a protest to this application and requested a hearing. Article 2.5 of our Rules of Practice and Procedure (Rules) sets forth the requirements for filing protests and requests for hearing. Under Rule 8.2, "the filing of a protest does not ensure that a public hearing will be held; the content of the protest is determinative." As required by Rule 8.4, protestant did not present any facts indicating the effect of the application upon it. Also, protestant did not state what facts it would develop at a hearing which could result in denial of the application. Accordingly, a public hearing is not deemed necessary.

Table 2 shows applicant's estimated results of operations under present and proposed fares for a test year ending December 31, 1988.

Table 2

	<u>Test Year 1988</u>	
	<u>Present Fares</u>	<u>Proposed Fares</u>
Passenger stage revenue	\$ 612,000	\$ 684,000
Charter revenue	<u>231,000</u>	<u>231,000</u>
Total Revenues	\$ 843,000	\$ 915,000
Total Operating Expense	<u>885,090</u>	<u>890,280</u>
Operating Income (before taxes)	(\$ 42,090)	\$ 24,720
Operating Ratio (before taxes)	105.0%	97.3%

(Red Figure)

As indicated by Table 2, applicant's operations in the test year ending December 31, 1988 under present fares will result in a loss of \$42,090 with an operating ratio of 105.0%, before taxes. The proposed passenger fares will result in an annual gross revenue increase of \$72,000 and operating income of \$24,720 with an operating ratio of 97.3%, before taxes.

Notice of the filing of this application appeared on the Commission's Daily Calendar of December 7, 1987. No other protests or requests for public hearing have been received.

Findings of fact

1. Applicant seeks authority to increase adult passenger stage fares as set forth on Table 1.
2. Applicant received passenger stage authority by D. 85-07-073, dated July 25, 1985 and established his fares on November 25, 1985.

3. Applicant's operations in the test year ending December 31, 1988 under present fares would be at a loss of \$42,090 with an operating ratio of 105.0%, before taxes.

4. Applicant's operations at the proposed fares will result in an annual gross revenue increase of \$72,000, with an operating ratio of 97.3%, before taxes.

5. The requested passenger fare increases are necessary and justified.

6. City of Los Angeles Department of Transportation's protest does not meet the content requirements of Rule 8.4:

7. A public hearing is not necessary.

8. To ensure applicant's continued operations, the effective date of this order should be the date of signature.

Conclusions of Law

1. The passenger fares requested in A. 87-12-004 are just and reasonable and should be granted.

2. To ensure applicant's continued operations, the order should be effective today.

Q B D E B

IT IS ORDERED that:

1. Hassan M. Hosseini is authorized to establish the increased passenger fares proposed in A. 87-12-004. Tariffs shall be filed on or after the effective date of this order. They may go into effect ten days or more after the effective date of this order on not less than ten days' notice to the Commission and to the public.

2. This authority shall expire unless exercised within 90 days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in his operating vehicles a printed explanation of the fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

4. The application is granted as set forth above.

This order is effective today.

Dated FEB 24 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
JOHN B. OHANIAN
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

Commissioner G. Mitchell Wilk,
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Victor Weisser, Executive Director