

Mailed

ORIGINAL

Decision 88-04-048 April 27, 1988

APR 27 1988

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Hassan M. Hosseini)
 dba Super Express to establish a)
 zone of rate freedom for passenger) Application 88-01-026
 stage service between points in its) (Filed January 25, 1988)
 authorized service area and Los)
 Angeles International Airport.)

OPINION

Hassan M. Hosseini, dba Super Express, requests authority to establish zones of rate freedom (ZORFS) between points in his authorized passenger stage service area and the Los Angeles International Airport (LAX). Notice of filing the application was published in the Commission's Daily Calendar of January 27, 1988. No protests to the application have been received.

Applicant operates in competition with SuperShuttle of Los Angeles from and to points within his authority and LAX. SuperShuttle has been granted a ZORFS. Applicant contends that granting him his requested ZORFS will give him the flexibility inherent in such mechanism and decrease his vulnerability to his competitor's price adjustments.

Applicant's present rates and proposed ZORFS as set out in Exhibit C to the application are as follows:

<u>Area</u>	<u>Low</u>	<u>Present Rate</u>	<u>High</u>
El Segundo	\$ 2.00	\$ 5.00	\$ 8.00
Manhattan Beach	5.00	8.00	11.00
Hermosa Beach	5.00	8.00	11.00
N. Redondo Beach	5.00	8.00	11.00
S. Redondo Beach	10.00	13.00	16.00
Torrance	13.00	16.00	19.00
Harbor City	14.00	17.00	20.00
San Pedro	14.00	17.00	20.00
Palos Verdes Pen.	14.00	17.00	20.00

Note: The present rate for each additional passenger is \$5.00. The ZORF for this service will be between a low of \$4.00 and a high of \$6.00. Applicant's rates are equal to or lower than SuperShuttle's.

Applicant presently operates eight vans with a capacity each of eight passengers. For the nine months ending September 30, 1987, applicant had a gross income of \$345,467 and a net operating profit of \$19,561. As of September 30, 1987 his company had a net worth of approximately \$1,412.

Findings of Fact

1. Applicant requests authority to establish ZORFS.
2. Applicant operates as a passenger stage corporation between LAX and points in the Los Angeles South Bay.
3. Applicant operates in competition with SuperShuttle as well as private cars carrying passengers to and from LAX.
4. Failure to grant applicant the requested authority will deprive it of all the flexibility inherent in such mechanism and render it vulnerable to price adjustment by its competitors already granted such privilege.
5. During the nine months ended September 30, 1987 applicant grossed approximately \$354,467 and netted \$19,461.
6. As of September 30, 1987 applicant had a net worth of approximately \$1,411.
7. Applicant is operating in competition with another substantially similar passenger stage transportation service.
8. The market competition together with the authorized zone of rate freedom will result in reasonable rates and charges.
9. The granting to applicant an exemption from the long- and short-haul provisions of PU Code Section 460 is necessary and appropriate in this case.
10. A public hearing is not necessary.

Conclusions of Law

1. Any zone of rate freedom granted applicant should also be accompanied by a waiver of the long- and short-haul provisions of PU Code Section 460 in respect to those fares within the zone.
2. The application should be granted.
3. Before applicant charges any ZORF rates he should file such rates with the Commission on ten days' notice.
4. The filing of ZORF rates should be accompanied by a tariff amendment which shows for each ZORF point the high and low of the ZORF as well as the then currently effective rate.
5. ZORF rates will not be accepted for filing to or from a point unless that point is an entire incorporated city or the boundary of the point is described with particularity in applicant's tariffs.

ORDER

IT IS ORDERED that:

1. Applicant is authorized to establish ZORFS as set out in his Exhibit C to the application.
2. Applicant may charge rates within its ZORFS only by first amending its tariff on not less than 10 days' notice to include such rates, showing the high and low end of its ZORF as well as the currently effective rate.
3. Applicant is relieved from the long- and short-haul provisions of PU Code Section 460 only where the charging of any rate within its published ZORF would otherwise be forbidden by PU Code Section 460.

4. No ZORF will be accepted for filing unless the fare point is an entire incorporated city of the boundary or the point is described with particularity in applicant's tariff.

5. The application is granted as set forth above.

This order is effective today.

Dated APR 27 1988, at San Francisco, California.

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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



Victor Weisser, Executive Director

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