

OCT 17 1988

Decision 88 10 007 OCT 14 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
AIRPORT LIMOUSINE SERVICE OF SUNNYVALE,)
INC. for authority to establish a zone)
of rate freedom for its tariffs filed)
for PSC 899.)

Application 88-06-006
(Filed June 6, 1988;
amended August 17, 1988)

OPINION

Applicant Airport Limousine Service of Sunnyvale, Inc., a California corporation, requests authority to establish a zone of rate freedom (ZORF) within its passenger stage operating territory. Notice of the filing of the application and amendment to the application appeared in the Commission's Daily Calendars of June 9, 1988 and August 22, 1988, respectively. No protests to the application have been received.

Applicant currently provides on-call and scheduled passenger stage service between points in Santa Clara, San Mateo, Alameda, and Contra Costa Counties, on the one hand, and the San Francisco, San Jose, and Oakland International Airports, on the other. In performing such services, it operates sedans, vans, and limousines. For the first six calendar months of 1988 applicant had gross income of approximately \$1 million and a net income of \$6,074 and as of June 30, 1988 had a net worth of approximately \$142,000.

By this application applicant seeks a ZORF of plus or minus \$2, which applicant claims is less than 10% of its average tariff fare. Applicant published its fares on a point-to-point basis, the highest one-way fare being \$68 (between Half Moon Bay and the Oakland airport) and the lowest being \$5 (between San Jose and the San Francisco airport). Fares differ with the type of service provided and the point served.

Applicant claims to have at least five competitive passenger stage services in each of the counties in which it operates which will exert pressure on it to keep its fare on a competitive level. Applicant contends that the proposed ZORF will enable applicant to respond to changes in market conditions in a timely manner while maintaining sufficient operating ratios so that it can remain profitable. ✓
✓
✓

Findings of Fact

1. Applicant operates as a passenger stage corporation serving between points in the counties of Contra Costa, Alameda, Santa Clara, and San Mateo, on the one hand, and the San Francisco, San Jose, and Oakland International Airports, on the other.

2. In the conduct of its operations it experiences competition from at least five other passenger stage corporations in each of the counties in which it operates.

3. Applicant requests authority to establish a ZORF of between \$2 above and \$2 below its present fares.

4. Applicant's fares are published on a point-to-point basis depending on the type of service rendered.

5. Applicant's highest fare is \$68 and its lowest is \$5.

6. The proposed ZORF will enable applicant to respond to market conditions in a timely manner while maintaining sufficient operating ratios so that it can remain profitable.

7. The competitive transportation services will result in reasonable rates when considered along with the proposed ZORF.

8. The granting to applicant of an exemption to the long-and-short haul provisions of Public Utilities (PU) Code Section 460 is appropriate in this case.

9. A hearing is not necessary.

Conclusions of Law

1. The application should be granted.

2. Before applicant charges any ZORF rates, it should first file such fares with the Commission on 10 days' notice.

3. The filing of ZORF rates should be accompanied by a tariff amendment which shows for each ZORF point the high and low ends of the ZORF as well as the then currently effective rate.

ORDER

IT IS ORDERED that:

1. A zone of rate freedom between and including \$2 above and \$2 below its current passenger stage operating authority fares between points in Santa Clara, San Mateo, Alameda, and Contra Costa Counties, on the one hand, and the San Francisco, San Jose, and Oakland International Airports, on the other hand, is established for Airport Limousine Service of Sunnyvale, Inc. (applicant).

2. Applicant may charge fares within its zone of rate freedom only by first amending its tariff on no less than 10 days' notice to include such rates, showing the high and low end of its zone of rate freedom as well as its then currently effective rate.

3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its vans and terminals. The notice shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

4. Applicant is relieved from the provisions of the long- and short-haul requirements of PU Code § 460 only where the charging of any rate within its published zone of rate freedom could otherwise be forbidden by PU Code § 460.

5. This authority shall expire unless accepted within 30 days after the effective date of this order.

This order is effective today.

Dated OCT 14 1988, at San Francisco, California.

STANLEY W. HULETT
President

DONALD VIAL

FREDERICK R. DUDA

G. MITCHELL WILK

JOHN B. OHANIAN

Commissioners

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

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Victor Weisser, Executive Director



Applicant claims to have at least five competitive passenger stage services in each of the counties in which it operates will exert pressure on it to keep its fare on a competitive level. Applicant contends that the proposed ZORF will enable applicant to respond to change market conditions in a timely manner while maintaining sufficient operating ratios so that it can remain profitable.

Findings of Fact

1. Applicant operates as a passenger stage corporation serving between points in the counties of Contra Costa, Alameda, Santa Clara, and San Mateo, on the one hand, and the San Francisco, San Jose, and Oakland International Airports, on the other.
2. In the conduct of its operations it experiences competition from at least five other passenger stage corporations in each of the counties in which it operates.
3. Applicant requests authority to establish a ZORF of between \$2 above and \$2 below its present fares.
4. Applicant's fares are published on a point-to-point basis depending on the type of service rendered.
5. Applicant's highest fare is \$68 and its lowest is \$5.
6. The proposed ZORF will enable applicant to respond to market conditions in a timely manner while maintaining sufficient operating ratios so that it can remain profitable.
7. The competitive transportation services will result in reasonable rates when considered along with the proposed ZORF.
8. The granting to applicant of an exemption to the long-and-short haul provisions of Public Utilities (PU) Code Section 460 is appropriate in this case.
9. A hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. Before applicant charges any ZORF rates, it should first file such fares with the Commission on 10 days' notice.

3. The filing of ZORF rates should be accompanied by a tariff amendment which shows for each ZORF point the high and low ends of the ZORF as well as the then currently effective rate.

ORDER

IT IS ORDERED that:

1. A zone of rate freedom between and including \$2 above and \$2 below its current passenger stage operating authority fares is established for Airport Limousine Service of Sunnyvale, Inc. (applicant).

2. Applicant may charge fares within its zone of rate freedom only by first amending its tariff on no less than 10 days' notice to include such rates, showing the high and low end of its zone of rate freedom as well as its then currently effective rate.

3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its vans and terminals. The notice shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

4. Applicant is relieved from the provisions of the long- and short-haul requirements of PU Code § 460 only where the charging of any rate within its published zone of rate freedom could otherwise be forbidden by PU Code § 460.