

Decision 88 10 046 OCT 26 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
LORRIES TRAVEL AND TOURS, INC. for )  
authority to establish a zone of )  
rate freedom for its tariffs filed )  
for PSC 1003. )

OCT 26 1988  
Application 88-08-059  
(Filed August 29, 1988)

OPINION

Applicant Lorries Travel and Tours, Inc. requests authority to establish a zone of rate freedom (ZORF) within its passenger stage operating territory. Notice of the filing of the application appeared in the Commission's Daily Calendar of September 1, 1988.

Applicant currently provides on-call and scheduled passenger stage service between the San Francisco International Airport (SFO) and the Oakland Airport (OAK), on the one hand, and points within the City of San Francisco, on the other hand. For the six months ending June 30, 1988, it grossed approximately \$425,000 from its bus operations and had net income of approximately \$27,000. As of June 30, 1988, it had a deficit net worth of approximately \$428,533.

Applicant's requested ZORF is between \$3 above and \$3 below its present fares. Its present adult fares to and from SFO are \$7 and \$8, depending on whether the service is economy service or limited stop service and its adult fares to or from OAK are \$14.50 and \$16 depending on the type of service. The child's fare to or from SFO is \$4 and to or from OAK is \$8.

The application states that applicant has at least seven competitive Commission authorized passenger stage transportation services in the areas it serves, and that therefore, this competitive pressure serves to keep fares competitive with respect to market demand. The application also states that the ZORF, which

applicant proposes to establish, will enable it to respond to changing market conditions in a timely manner while maintaining sufficient operating ratios so that it can become profitable.

Findings of Fact

1. Applicant operates as a passenger stage corporation serving between the City of San Francisco, on the one hand, and SFO and OAK, on the other hand.

2. In the conduct of its operations, it experiences competition from at least seven competitive Commission authorized bus companies.

3. Applicant requests that it be authorized to establish a ZORF of between \$3 above and \$3 below its present fares.

4. Competitive pressure in the market in which applicant serves kept fares competitive with respect to market demand.

5. Applicant's proposed ZORF will enable it to respond to changing market conditions in a timely manner while maintaining sufficient operating ratios so that it can operate profitably.

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

7. 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.

8. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.

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

3. The filing of ZORF fares 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 \$3 above and \$3 below applicant's current passenger stage operating authority fares is established for 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 requirement 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 becomes effective 30 days from today.

Dated OCT 26 1988, at San Francisco, California.

STANLEY W. HULETT  
President

DONALD VIAL  
FREDERICK R. DUDA  
JOHN B. OHANIAN  
Commissioners

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

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

*Victor Weisser*  
Victor Weisser, Executive Director

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