

ORIGINAL

Decision 88 12 073 DEC 19 1988

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SFO Airporter, Inc. for authority to)	Application 88-10-028
establish a zone of rate freedom for)	(Filed October 14, 1988)
its tariffs filed for PSC 37.)	Mailed

DEC 19 1988

OPINION

Applicant SFO Airporter, Inc., a passenger stage corporation, requests authority for the establishment of a zone of rate freedom (ZORF) pursuant to Public Utilities (PU) Code § 454.2 in its airport access operation between San Francisco and the San Francisco International Airport (SFO). Notice of the filing of the application appeared in the Commission's Daily Calendar of October 10, 1988. No protests to the application have been received.

For the first eight months of 1988, Applicant had a gross income from its operations of approximately \$1,353,554 and a net income of \$25,251. As of August 31, 1988, Applicant had a minimum net worth of approximately \$3,961,771.

The application states that in Applicant's operation, it competes with seven other Commission-regulated passenger stage corporations and that this pressure keeps fares competitive with respect to market demand. 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.

Applicant's present fares are \$4 for an adult, \$7 for a round trip, and \$2 for a child. Applicant seeks a ZORF between \$2 below and \$2 above its present fares, except the ZORF child's fare will be between \$1 below and \$2 above current child's fare.

Findings of Fact

1. Applicant operates as a passenger stage corporation serving between the City of San Francisco and SFO.
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 \$2 above and \$2 below (\$1 below for a child's fare) 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 PU Code § 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.

ORDER

IT IS ORDERED that:

1. SFO Airporter, Inc., is authorized to establish fares within a Zone of Rate Freedom (ZORF) between a maximum of \$2 above and \$2 below its current authorized fares and between a maximum of \$1 above and \$1 below its current authorized child's fares.

2a. Applicant shall file a tariff based on the ZORF on no less than 10 days' notice to the Commission and the public subject to Commission approval. The authority for ZORF shall expire unless exercised within 60 days after the effective date of this order.

b. Any fare changes within its ZORF may be made by Applicant by filing and amending its tariff on no less than 10 days' notice to the Commission and the public. The tariff shall include for each fare point, the authorized maximum fares, the authorized minimum fares, and the fare to be actually charged.

c. Applicant is relieved from the provisions of the long- and short-haul requirements of PU Code § 460 in establishing the authorized ZORF fares.

3. In addition to posting and filing tariffs, Applicant shall post a printed explanation of its fares in its fare passenger carrying vehicles 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. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated DEC 19 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.



Victor Weissar, Executive Director

AS