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Decision 89 02 013 FEB 8 1989

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ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Yellow Cab Cooperative, Inc., dba Yellow Airport Van and Tour Service, to establish a zone of rate freedom for passenger stage service between points in its authorized service area and San Francisco International Airport.

Application 88-12-004 (Filed December 2, 1988)

OPINION

Applicant Yellow Cab Cooperative, Inc., doing business as Yellow Airport Van and Tour Service (PSC 1297), requests authority to establish a zone of rate freedom (ZORF) pursuant to Public Utilities (PU) Code § 454.2 of between \$7.00 and \$10.00 per adult passenger for passenger stage operation between San Francisco and San Francisco International Airport (SFO). Notice of the filing of the application appeared in the Commission's Daily Calendar of December 7, 1988. No protests to the application have been received.

Section 454.2 provides:

"Notwithstanding Section 454, the commission may, upon application, establish a 'zone of rate freedom' for any passenger stage transportation service which the commission finds is operating in competition with another substantially similar passenger stage transportation service or competitive passenger transportation service from any other means of transportation, if the commission finds that these competitive transportation services will result in reasonable rates and charges when considered along with the authorized zone of rate freedom. An adjustment in rates or charges within a zone of rate freedom established by the commission is hereby deemed just and reasonable. The commission may, upon protest or on its own motion, suspend any

adjustment in rates or charges under this section and institute proceedings pursuant to Section 491."

Applicant competes for passengers with other substantially similar ground transportation services. For the 12 months ending May 30, 1988, applicant had revenues from bus operations of approximately \$1,200,000 and a net loss of approximately \$129,000.

Applicant's present fare structure now specifies an adult fare of \$7.00. If it were allowed to charge \$8.00 per adult, it asserts that it would realize a profit of \$37,081 based on a 1988 test year.

Applicant states that it wishes to operate within the proposed ZORF so that it will be able to respond quickly to both changes in the market and the cost of doing business.

Findings of Fact

1. Applicant is a passenger stage corporation serving between San Francisco and SFO.
2. In the conduct of passenger stage operations, applicant experiences direct competition.
3. Granting applicant the requested ZORF will enable applicant to respond quickly to both changes in the market and the cost of doing business.
4. The competitive transportation services will result in reasonable fares when considered along with the proposed ZORF.
5. The granting to applicant of an exemption to the long- and short-haul provisions of PU Code § 460 is appropriate in this case.
6. A public hearing is not necessary. Since rate relief is involved, and since applicant is currently competing on the basis of rates, this decision should be effective today.

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 its then current effective rate.

ORDER

IT IS ORDERED that:

1. Yellow Cab Cooperative, Inc. (applicant) is authorized to establish fares within a Zone of Rate Freedom (ZORF) between a minimum fare of \$7.00 and a maximum fare of \$10.00 per adult passenger.
2. 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. This authority shall expire unless exercised within 60 days after the effective date of this order.
3. Any fare changes within the ZORF may be made by applicant by filing and amending the applicable 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 fare, the authorized minimum fare, and the fare to be actually charged.
4. In addition to posting and filing tariffs, applicant shall post a printed explanation of his fares in his 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.

5. 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 ZORF could otherwise be forbidden by PU Code § 460.

This order is effective today.

Dated February 8, 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
Commissioners

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


Victor Weisner, Executive Director

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