

Decision 90 01 006 JAN 9 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Ground Systems, Inc. a California
corporation, doing business as
Airportcoach, to establish a zone of
rate freedom for its airport
passenger fares between its
authorized service areas and the Los
Angeles International, Long Beach,
Ontario and John Wayne Airports.

ORIGINAL

Application 89-08-003
(Filed August 2, 1989)

O P I N I O N

Ground Systems, Inc., a California corporation doing business as Airportcoach (applicant), requests authority to establish a zone of rate freedom (ZORF) under Public Utilities (PU) Code Section 454.2 for application within its authorized service areas and the Los Angeles International (LAX), Long Beach, Ontario, and John Wayne Airports.

Notice of the filing of this application appeared on the Commission's Daily Calendar on August 9, 1989. No protests to the application have been received.

Applicant attached to its application Exhibits A-E which contain documents required to be filed under the Commission's Rules of Procedure, Rules 23 and 24. These attachments show that applicant owns six buses and eight vans and leases 14 buses in its operations. Applicant's income statement for the first six months of 1989 shows sales of \$2.2 million and expenses of \$1.9 million. Applicant's balance sheet shows current assets of \$181,069 and current liabilities of \$2.1 million.

Applicant states that it operates scheduled and on-call service in competition with buses, taxicabs, private automobiles, limousines, and passenger van operations. Applicant's competitors

include SuperShuttle, Luxe Livery Service, Prime Time Airport Shuttle, Valley Airport Shuttle, and Am Trans Airport Shuttle. Presently pending is an application of Celebrity Airport Shuttle requesting authority to render service in Orange County. Applicant's competitors charge a low of \$10 to a high of \$31 for transportation from Anaheim to LAX. Applicant's fare for this service is \$10.

Applicant requests a ZORF of \$5 below and \$10 above its existing rates in Tariff No. 1. This ZORF would apply to fares between the airports served (LAX, Long Beach, Ontario, and John Wayne) on one hand and Anaheim/Buena Park, Pasadena-Monrovia, Brea, Garden Grove, Los Angeles, and La Mirada on the other hand. Applicant would adjust its existing fares upon 10 days written notice to the Commission.

The assigned Administrative Law Judge inquired about rates which result in a \$0 fare under the requested ZORF. Applicant agreed that where application of the lower limit of the ZORF to an existing rate would result in a fare of \$0, the existing fare should not be changed. Applicant requested that this adjustment of its proposed ZORF be made.

Applicant requests exemption from long- and short-haul provisions of Section 460. This exemption is customary when a ZORF is authorized and we find this request reasonable.

No protests have been received; therefore, there is no need for hearings in this matter.

Findings of Fact

1. Applicant is a passenger stage corporation operating scheduled and on call service between points in Anaheim/Buena Park, Los Angeles, Pasadena, Riverside County, San Bernardino County, and Orange County on one hand and the Los Angeles International Airport, Long Beach Airport, Ontario Airport, and John Wayne Airport on the other hand.

2. Applicant requests authority to establish a ZORF of -\$5 to +\$10 around its existing rates. Applicant agrees that no rate should be reduced to \$0 by application of the proposed ZORF.

3. Applicant competes with buses, taxi cabs, limousines, automobiles, and passenger stage corporations in its operations.

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

5. The granting of an exemption to the long- and short-haul provisions of PU Code Section 460 is appropriate in this case.

6. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.

2. Before applicant charges fares under the authorized ZORF, ten days notice should be given to this Commission.

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 and the then currently effective rate.

ORDER

IT IS ORDERED that:

1. Ground Systems, Inc. (applicant), is authorized to establish fares within a zone of rate freedom (ZORF) between the lower limit of the ZORF of \$5 below the present authorized fares, except where application of ZORF reduces a fare to \$0, and the upper limit of the ZORF of \$10 above the present authorized fares.

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. The authority for ZORF shall expire unless exercised within 60 days after the effective date of this order.

3. 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 fare, the authorized minimum fare, and the fare to be actually charged.

4. Applicant is relieved from the provisions of the long- and short-haul requirements of Public Utilities Code Section 460 in establishing the authorized ZORF fares.

5. 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.

6. The application is granted as set forth above.

This order is effective today.

Dated JAN 9 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Stanley W. Hulett,
being necessarily absent, did
not participate.

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

Wesley Franklin

WESLEY FRANKLIN, Acting Executive Director

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