

Decision 90 07 037 JUL 18 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SFO Airporter, Inc., for authority)	Application 90-01-049
to establish a zone of rate freedom)	(Filed January 26, 1990;
for its tariffs filed for PSC-37.)	amended February 6, 1990)

O P I N I O N

SFO Airporter, Inc. (applicant), a California corporation, requests authority to establish a zone of rate freedom (ZORF) under Public Utilities (PU) Code § 454.2 between points within its authorized service area, and to deviate from the long- and short-haul provisions of PU Code § 460.

Applicant presently conducts operations as a passenger stage corporation for the transportation of passengers and their baggage between the San Francisco International Airport and points in the City and County of San Francisco. It states that it is operating in competition with 10 other passenger stage corporation transportation services in the areas it serves. It is alleged that these competitive transportation services will result in reasonable rates when considered with the ZORF requested in the application.

Applicant proposes a ZORF at fares that are:

- a. \$3 below or above, as the minimum and maximum, from its present adult one-way and child's round-trip fares of \$5;
- b. \$6 below or above, as the minimum and maximum, from its present adult round-trip fare of \$8; and
- c. \$2 below or above, as the minimum and maximum, from its present child's one-way fare of \$3.

It alleges that the proposed charges are economically feasible and are required to allow applicant to adjust its fares to meet competitor's rates.

An unaudited income statement attached to the application shows revenue of \$2,744,639 and operating profit of \$47,964 for calendar year 1989.

Notice of the filing of the application appeared in the Commission's Daily Transportation Calendar on February 6, 1990, and no protests have been received.

Findings of Fact

1. Applicant is operating in competition with other substantially similar passenger stage transportation services.
2. Applicant proposes a ZORF at fares that are:
 - a. \$3 below or above, as the minimum and maximum, from its present adult one-way and child's round-trip fares of \$5;
 - b. \$6 below or above, as the minimum and maximum, from its present adult round-trip fare of \$8; and
 - c. \$2 below or above, as the minimum and maximum, from its present child's one-way fare of \$3.
3. The competitive transportation services will result in reasonable rates when considered with the ZORF authorized below.
4. The granting of an exemption from the long- and short-haul provisions of PU Code § 460 is appropriate in this case.
5. A public hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. Before applicant charges rates under the ZORF authorized below, 10 days' notice should be given to the Commission.
3. The filing of ZORF rates should be accompanied by a tariff amendment showing for each route the high and low ends of the ZORF and the then currently effective rate.

4. No rate should be reduced to zero by application of the ZORF.

5. In order to make the proposed rate changes available as soon as possible, the following order should be effective immediately.

ORDER

IT IS ORDERED that:

1. SFO Airporter, Inc. (applicant) is authorized to establish fares within a Zone of Rate Freedom (ZORF) of:

- a. \$3 below or above, as the minimum and maximum, from its present adult one-way and child's round-trip fares of \$5;
- b. \$6 below or above, as the minimum and maximum, from its present adult round-trip fare of \$8; and
- c. \$2 below or above, as the minimum and maximum, from its present child's one-way fare of \$3.

2. Applicant shall file a ZORF tariff on not less than 10 days' notice to the Commission and to the public and subject to Commission approval. The ZORF authority shall expire unless exercised within 60 days after the effective date of this order.

3. Applicant may make rate changes within the ZORF by filing amended tariffs on not less than 10 days' notice to the Commission and to the public. The tariff shall include for each route the authorized maximum and minimum rates and the rate to be charged.

4. Applicant is exempted from the long- and short-haul provisions of Public Utilities Code § 460 in setting the authorized ZORF rates.

5. In addition to posting and filing proposed tariff changes, applicant shall post notices explaining rate changes in its terminals and passenger-carrying vehicles. The notices shall

be posted at least 5 days before the effective date of the rate changes and shall remain posted for at least 30 days.

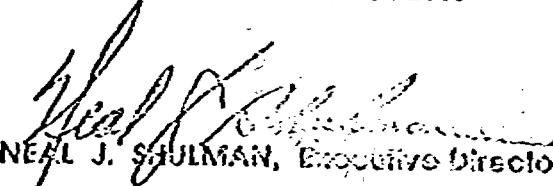
6. The application is granted as set forth above.

This order is effective today.

Dated JUL 18 1990, at San Francisco, California.

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

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


NEAL J. SHULMAN, Executive Director

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