

Decision **90 09 004** SEP 12 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SuperShuttle of Los Angeles, Inc. (PSC-1298) for authority to establish revised zones of rate freedom for its passenger stage service between points in its authorized service area.

**ORIGINAL**  
Application 90-01-059  
(Filed January 30, 1990)

O P I N I O N

SuperShuttle of Los Angeles, Inc. (SuperShuttle or applicant) requests authority to increase its existing zones of rate freedom (ZORFs) and to deviate from the long- and short-haul provisions of Public Utilities (PU) Code § 460. Applicant provides scheduled and on-call service to and from authorized hotels 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. Applicant's existing ZORFs were authorized by Decision (D.) 87-04-071 under PU Code § 454.2. The basis of this application is increased fuel costs and public liability insurance premiums in 1989.

Applicant also requests that additional hotels be subject to the hotel ZORF rates rather than the generally higher zip code based ZORF rates.

Notice of the filing of this application appeared on the Commission's Daily Transportation Calendar on February 6, 1990. No protests to the application have been filed.

Applicant attached to its application Exhibits 1-6 in compliance with the Commission's Rules of Procedure, Rule 23. Exhibit 1 shows the proposed ZORFs with upper and lower boundaries of \$4 above and \$3 below the proposed initial rates in Exhibit 2.

Applicant's existing initial rates and proposed initial rates range from \$9-20 for one-way service. However, with this range applicant proposes to increase the fare for an additional passenger to equal the existing fare for the first passenger. (Exhibits 3 and 4.) The range of revenues generated by the proposed initial rates and ZORFs is from \$180,000 (0.08% reduction) to \$3,150,000 (14.9% increase) in comparison with applicant's 1988 revenues. This range of revenues equals a potential range of operating ratio from 90.4 to 98.0%, net of taxes and interest. (Exhibit 5.) This potential range of operating ratio is comparable with that of applicant's competitors. Therefore, the proposed increased rates and ZORFs are compensatory, nonpredatory, and reasonable.

Applicant is a passenger stage and charter-party carrier providing "on-call" service using modern, radio-equipped seven-passenger Dodge vans. Exhibit 6 lists the original cost and accrued depreciation of these vehicles as of December 31, 1988.

As required by § 454.2, applicant is operating in a competitive environment and, therefore, qualifies to operate within ZORFs. (D.87-04-071.)

Requiring applicant to adhere to the long- and short-haul provisions undermines the rate freedom inherent in ZORFs. This exemption is customary when a ZORF is authorized. Applicant's request for an exemption from § 460 is reasonable and will be granted.

#### Findings of Fact

1. Applicant is a passenger stage corporation operating competitive 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. Applicant also provides authorized charter party transportation service.

2. Applicant's existing ZORFs were authorized in D.87-04-071.

3. Applicant requests authority to establish ZORFs of -\$3 to +\$4 around revised initial rates and to establish ZORF rates for the additional hotels specified in the application.

4. Competitive transportation services will assure reasonable rates within applicant's service territory under the ZORF authorized below.

5. The granting 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.

Conclusions of Law

1. The application should be granted.

2. Before applicant changes rates under the ZORF authorized below, 10 days' notice should be given to this Commission.

3. The filing of ZORF fares 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.

O R D E R

IT IS ORDERED that:

1. SuperShuttle of Los Angeles, Inc. (applicant) is authorized to establish the ZORF rates proposed in Application 90-01-059. Applicant may set rates within a zone of rate freedom (ZORF) between the lower limit of the ZORF (\$3 below the authorized rates, except where the ZORF would reduce a rate to zero) and the upper limit of the ZORF (\$4 above the authorized rates).

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

3. Applicant may make 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 PU Code § 460 in setting the authorized ZORF rates.

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

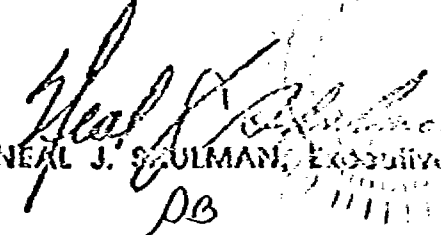
This order is effective today.

Dated SEP 12 1990, at San Francisco, California.

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

Commissioner John B. Ohanian,  
being necessarily absent, did  
not participate.

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

- 4 -  
  
NEAL J. SULMAN, Executive Director  
DB