

Decision 91-03-064 March 22, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of:)
TRAVIS EXPRESS, INC. to establish a)
Zone of Rate Freedom of)
Plus \$7.00/Minus \$5.00 from its)
current tariff rates [excluding any)
Resolution TL 18380-A Surcharge])
pursuant to the provisions of)
Section 454.2 of the Public Utilities)
Code.)

ORIGINAL

Application 90-11-036
(Filed November 20, 1990)

O P I N I O N

Travis Express, Inc. (applicant), a passenger stage corporation (PSC-1381), requests authority to increase its existing zones of rate freedom (ZORF) under Public Utilities (PU) Code § 454.2 and to deviate from the long- and short-haul provisions of PU § 460. Applicant provides on-call service over three routes as follows:

Route 1 - between Dixon (DXN), Vacaville (VCVL), Travis Air Force Base (TRAVIS), Fairfield (FRFLD), Vallejo (VLJO) and certain additional points, on the one hand, and Oakland (OAK) and San Francisco (SFO) International Airports, Treasure Island, and San Francisco, on the other hand.

Route 2 - between Sacramento, Sacramento Metropolitan Airport, Davis, DXN, VCVL, FRFLD, and TRAVIS.

Route 3 - between FRFLD, Cordelia, VLJO, and Benicia.

This application requests a ZORF of \$7 above and \$5 below its present current tariffs between the points described in the preceding routes. Exhibits 2 and 3 specify the proposed and existing ZORF. Applicant uses charter party carriers to provide the service. Applicant's charter party rates have increased by 20%. Air passenger ridership also has declined significantly due to the Middle Eastern conflict and the present economic climate.

Prior to the Desert War, 65 percent of applicant's ridership consisted of military and or government passengers. The remaining balance are civilians travelling between Solano County and OAK and SFO.

Applicant's existing ZORF were authorized by Decision (D.) 88-10-027.

Applicant alleges that service on Route 2 has yet to be instituted because of operational and financial difficulties. PU Code § 454.2 specifies that the service must be substantially operating in competition with other carriers or other competitive transportation services before it is authorized to establish ZORF fares. Clearly, Route 2 has not yet been operated in a competitive market and therefore does not meet the requirements for ZORF fares.

Notice of the filing of this application appeared on the Commission's Daily Transportation Calendar on November 27, 1990. No protests to the application have been filed.

Applicant attached to its application Exhibit 6 and Notice of Mailing filed on November 20, 1990 in compliance with the Commission's Rules of Procedure, Rules 23 and 24.

For 1989, applicant showed a net income of \$12,744 with a net operating ratio of 98.3. For the first nine months of 1990 applicant increased its net income to \$93,454 with an operating ratio of 86.2. In September of 1990, applicant showed a loss of \$5,907 with an operating ratio of 109.5.

Except for Route 2, applicant is competing with other carriers, and other competitive transportation services. This complies with the provisions of PU Code § 454.2.

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

Findings of Fact

1. Applicant is a passenger stage corporation operating an on-call service between certain points in the counties of San Francisco, San Mateo, Sacramento, Yolo, Solano, and Alameda.

2. Applicant requests authority for a ZORF of \$7 above and \$5 below its present fares.

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

4. Route 2 of applicant's operating authority has not been in operation or instituted. This route therefore does not meet the requirements of PU Code § 454.2 for ZORF fares.

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

6. No protests have been received.

Conclusions of Law

1. The application should be granted except for Route 2.

2. A public hearing is not necessary.

3. Before applicant charges fares under the ZORF authorized below, 10 days' notice should be given to this Commission.

4. 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.

5. In order to make the proposed fares changes available as soon as possible, the following order should be effective on the date of this decision.

ORDERIT IS ORDERED that:

1. Travis Express, Inc. (applicant) is authorized to increase from its existing zone of rate freedom (ZORF) fares to the ZORF as proposed in Application 90-11-036 except for Route 2. Applicant may set fares within the ZORF between the lower limit of the ZORF and the upper limit of the ZORF.

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 fares and the fare to be charged.

4. Applicant is exempted from the long- and short-haul provision of PU Code § 460 in setting the authorized ZORF fares.

5. In addition to posting and filing tariffs, applicant shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. 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 March 22, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners

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

Neal J. Schulman
NEAL J. SCHULMAN, Executive Director