

Decision 82 01 74 JAN 19 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of SFO AIRPORTER, INC., for au- )  
thority to increase its passenger )  
stage corporation fares, pursuant )  
to Section 454 of the Public )  
Utilities Code. )

Application 60992  
(Filed October 16, 1981)

O P I N I O N

SFO Airporter, Inc. (applicant) is a passenger stage corporation (PSC-37) operating primarily between San Francisco and San Francisco International Airport (SFO). Applicant is also authorized to provide service between Oakland International Airport, San Jose Municipal Airport, Oakland, Berkeley, Alameda, San Jose, and intermediate points. These services have been suspended or are operated at reduced frequencies as authorized by Commission Resolution PE-401, issued May 5, 1981. Applicant also operates as Class A Charter-Party Carrier of passengers under certificate TCP-104-A.

Most of applicant's San Francisco operations are between SFO and the downtown terminal at Taylor and Ellis. On October 1, 1981 applicant established additional service between SFO and certain hotels and office buildings in San Francisco. This recently established Hotel-Financial District service is the subject of the instant application whereby applicant desires to increase fares from \$4.00 to \$5.00 for adults and from \$2.00 to \$2.50 for children. No increase is requested for the downtown terminal service which is currently \$4.00 for adults and \$2.00 for children.

Exhibit C attached to the application shows that after 6 months applicant's Hotel-Financial District service will be transporting 300 passengers a day and at the fare proposed will attain an operating ratio of 98.27.

A formal protest was filed by Lorrie's Travel and Tours, Inc. (Lorrie's) on November 16, 1981. The protest alleges that if the new fares are granted, destructive competition and price wars are likely to occur.

Lorrie's (one of applicant's competitors) is a passenger stage corporation (PSC-1003) providing service with vans between San Francisco and SFO. The major part of its service is between hotels and motels to SFO. The fare is \$6.50 for adults and \$4.00 for children.

A fare increase does not trigger a price war nor does it result in destructive competition. The increase proposed by applicant will bring the fares of the two carriers closer and should be to Lorrie's benefit. A public hearing on Lorrie's protest would only delay rate relief to applicant and serve no useful purpose.

The Commission notified affected public transit district operators of the application under Public Utilities (PU) Code Sections 730.3 and 730.5, and the Commission requested the public agency to prepare an analysis of the effect of fare increase on overall transportation problems within the territory served by the public transit system. No response has been received from any public transit district. The fare increase will not affect transit system plans prepared under Chapter 2.5 of Title 7 of the Government Code.

#### Findings of Fact

1. Applicant, a California corporation, operates as a passenger stage corporation under the jurisdiction of this Commission.
2. Applicant requests authority to increase the fares for a special service of recent inauguration.
3. Applicant will realize an operating ratio of 98.2% on this service if the fare increase is granted.

4. The fare increase should increase applicant's gross revenue by \$300 per day.

5. The fare increase requested is justified.

6. Since the fare increase is necessary to ensure that this service does not produce a financial burden on applicant's primary operation, the effective date of this order should be the date of signature.

7. The protest received has been reviewed and has been found to be without merit.

Conclusion of Law

The increased fares are reasonable and justified.

O R D E R

IT IS ORDERED that:

1. SFO Airporter, Inc. is authorized to establish the increased fares proposed in Application 60992. Tariffs shall be filed not earlier than the effective date of this order. They may go into effect 10 days or more after the effective date of this order on not less than 10 days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within 90 days after the effective date of this order.

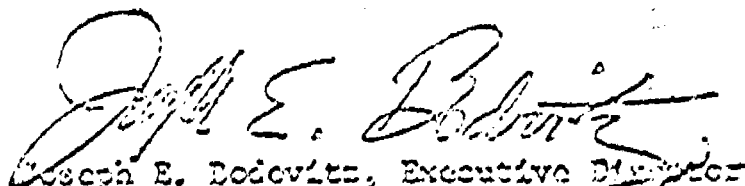
3. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its buses and terminals. The notice shall be posted at least 10 days before the effective date of the fare changes and shall remain posted for at least 30 days.

This order is effective today.

Dated JAN 19 1982, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW  
Commissioners

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

  
Joseph E. Dodevitz, Executive Director