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ORIGINAL

Decision No. 87294

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Airport Limousine }
Service of Sunnyvale for authority }
to increase passenger stage fares. }

Application No. 56293
(Filed February 26, 1976;
amended August 5, 1976)

Application of Airport Limousine }
Service of Sunnyvale for authority }
to increase passenger stage fares. }

Application No. 56654
(Filed July 29, 1976)

O P I N I O N

By letter dated December 1, 1976, applicant requests withdrawal of Application No. 56654.

Application No. 56293 requests authorization for an increase in all fares on applicant's East Bay operation which involves transportation of passengers between 30 East Bay communities and the San Francisco, Oakland, and San Jose airports.

Applicant has been operating as a charter-party carrier since September 1969. In July 1974 it was authorized to operate a passenger stage service between San Francisco International Airport, Oakland International Airport, and San Jose Municipal Airport on the one hand, and various points in the counties of Santa Clara, San Mateo, Alameda, and Contra Costa on the other hand.

Applicant is based in Sunnyvale and conducts the majority of its passenger stage business on advance reservations with emphasis on prestige and luxury transportation. It accommodates about 500 corporations and over 200 travel agencies from the Peninsula and East Bay.

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Applicant started with independent drivers who provided and maintained their own equipment. The system was recently changed and only five of the original drivers are left. The others are operating company-owned equipment and are paid 30 percent of what is collected or \$2.00 per hour.

Service is good and business is averaging a 50 percent per year increase. The East Bay operation is comparatively low on revenue and high in expenses due to a high percent of dead mileage on each route. On the date the application was filed applicant owned and operated 21 vehicles consisting of four- and seven-passenger Mercury, Lincoln, and Cadillac limousines. All but four are less than three years old. Applicant expects to operate with 28 vehicles during the year 1977.

Applicant requests a fare increase of one dollar on all of its East Bay operations (service between 30 municipalities and the three airports) listed in Application No. 56293 except between San Francisco International Airport and the cities of Dublin and Pittsburg. A three- and four-dollar increase is suggested for these two points. The increased cost of materials, supplies, repairs, fuel, oil, and other expenses is listed as justification for the fare increase.

Notice of the filing of the application for a fare increase was published in the Commission's Daily Calendar and no protests have been received.

In accordance with Section 730.3 of the Public Utilities Code, affected State and local public agencies and corporations operating and planning passenger transit systems were notified and asked for comments regarding the proposed rate increase. No comments have been received.

The staff of the Transportation Division made an analysis of applicant's operations and submitted a report on December 20, 1976 which is hereby received as Exhibit 1. The staff analysis shows that the East Bay routes are operating at a loss and that the

requested rate increase is justified and reasonable. A table included in the staff report reveals that applicant lost \$29,900 on the East Bay routes during 1975 with an operating ratio of 126 percent. The proposed fare increase for the East Bay routes will provide additional annual income of \$15,900 and an operating ratio of 108 percent with about a 9 percent raise in fares. The staff recommended that the application be granted ex parte and that applicant be ordered to comply with PUC General Order No. 98-A, Section 13.01, and to keep records on its charter operations complete and up-to-date.

After consideration, the Commission finds that:

1. The requested rate increase will result in additional annual revenue of approximately \$15,900.
2. The proposed rate increase is justified.
3. Applicant should comply with all provisions of PUC General Order No. 98-A.
4. A public hearing is not necessary.
5. Application No. 56654 should be dismissed.

O R D E R

IT IS ORDERED that:

1. Airport Limousine Service of Sunnyvale is authorized to establish the increased rates proposed in Application No. 56293. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.
2. The authority shall expire unless exercised within ninety days after the effective date of this order.
3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its rates. Such

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notice shall be posted not less than five days before the effective date of the rate changes and shall remain posted for a period of not less than thirty days.

4. Applicant is directed to comply with the provisions of PUC General Order No. 98-A, Section 13.01.

5. Application No. 56654 is dismissed.

In view of the extreme operating losses, even with the increased rates, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 3rd
day of MAY, 1977.

Robert Bateman
President
William J. Lyons
Vernon A. Sturgeon
Richard D. Swartz

Commissioners