# Decision No. 88345 JAN 17 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA In the Matter of the Application of: )

LORRIE'S TRAVEL & TOURS, INC., for authority to increase its per capita rates pursuant to Section 454 of the Public Utilities Code in connection with the transportation of passengers on one-way trips between San Francisco hotels and the San Francisco International Airport.

) Application No. 57506 ) (Filed August 8, 1977)

## OPINION

Lorrie's Travel & Tours, Inc., a California corporation, presently provides service as a Passenger Stage Corporation, (PSC-1003). The service provided by the carrier consists of transportation between various hotels and motels in San Francisco and San Francisco International Airport. By this application, Lorrie's Travel & Tours, Inc., seeks authority to increase its fares by \$0.50.

The present and proposed fares are as follows:

:	••••••••••••••••••••••••••••••••••••••	* · · · · · · · · · · · · · · · · · · ·	
:	: Present Fares	: Proposed Fares	: % Increase
Adult Fare Child Fare	\$4.00 2.00	\$4.50 2.50	12.5% 25.0%

The present fares were established under the authority of Decision 86121 dated July 19, 1976, which authorized and ordered, among other things, the filing of tariffs, and timetables prior to commencement of the service.

The applicant alleges that the proposed fare increase is necessary to cover substantial increases in insurance, labor, fuel and rents which have occurred since the service was commenced.

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The staff of the Transportation Division has made an analysis of applicant's operations and submitted a report on the estimated results of operation for the future year ending June 30, 1978 under present and proposed fares.

The report is hereby received as Exhibit 1. The exhibit indicates the following results:

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*	Item or Account		19. juli - 🖊	
: Number	ويستعدون ويروك والمراجع والمتعاد والمتعاد والمتعاد والمتعاد والمتعاد والمتعاد والمتعاد والمتعاد والمتعاد والمت	<u> </u>	Present Fares:	the second s
(1)	(2)	· · · · ·	(3) – –	(4),
	Bus Miles	×	657,000	657,000
	Passengers	· •	136,875	136,875
	Revenue			
320	Passengers		\$ 535,810	\$ 604,250
	1 abounger b		4. 333 VOTO	→ 00+,200
	Expenses	·• ·		
410	Maintenance		\$ 25,000	\$ 25,000
420	Transportation		213,640	213,640
430	Station		147,140	147,140
440	Traffic		29,300	29,300
450	Insurance		52,490	52,490
460	Administration	· . ' · .	57,830	57,830
500	Depreciation		300	300
520	Taxes		41,670	41,670
530	Rent	•	42,890	42,890
400 & 500	Total Expenses		\$ 610,260	\$ 610,260
	Operating Income		\$ -74,450	\$ -6,010
800	Income Taxes	and the second second	200	200
	Net Income		\$ -74,650	\$ -6,210
	•			
	Operating Ratio	х х		
	After Taxes - %	· · ·	114.0	101.0

#### ESTIMATED RESULTS OF OPERATIONS RATE YEAR ENDING JUNE 30, 1978

The staff study observes that the expenses for securing business or developing patronage is unusually high compared with other passenger operations, representing commissions and money paid to hotel personnel, hotels, reservationists, dispatchers and supervisors. The exhibit recommends that the carrier review its operations and take steps to reduce such Station Expenses and Traffic Expenses, thereby postponing the time when another fare increase is necessary to offset inflating expenses.

Notice of filing of this application appeared in the Commission's Daily Calendar on August 10, 1977. No protests have been received.

After consideration, the Commission finds that:

1. The requested fare increase would result in \$68,440 additional annual revenue, but the operation would still show a \$6,210 loss.

2. The proposed fare increase is justified.

3. A public hearing is unnecessary.

4. The carrier should review its operations in an effort to reduce its Station Expenses and Traffic Expenses.

The Commission concludes that the application should be granted.

### <u>order</u>

#### IT IS ORDERED that:

1. Lorrie's Travel & Tours, Inc. is authorized to establish the increased fares proposed in Application 57506. 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 90 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 vehicles and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than 30 days.

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Since the operation is being conducted at a substantial loss, the effective date of this order is the date hereof.

		Dated at	San Francisco	Calif	ornia.	this	17th
day	₀₹	JANUARY	. 1978.		***		
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President William oners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.