

Decision No. 88345 JAN 17 1978

**ORIGINAL**

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 Inter- )  
 national Airport. )

Application No. 57506  
 (Filed August 8, 1977)

O P I N I O N

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	\$4.00	\$4.50	12.5%
Child Fare	2.00	2.50	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.



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.

O R D E R

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.

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

Dated at San Francisco, California, this 17th day of JANUARY, 1978.

President

William Synovis, Jr.

Vernon L. Sturgeon

Robert D. Howell

Carle J. D. ...

Commissioners

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