

Decision No. 91256 JAN 15 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of AIRPORT TRANSPORTATION CO. dba )  
AIRPORT LIMOUSINE (Monterey), a )  
corporation, for authority to )  
increase rates between the )  
Monterey Peninsula Airport and )  
points on the Monterey Peninsula )  
(Total Increase - \$56,000.00) )

Application No. 59207  
(Filed October 15, 1979)

**ORIGINAL**O P I N I O N

Airport Transportation Co., doing business as Airport Limousine (Monterey), presently operates as a Passenger Stage Corporation (PSC-898), transporting passengers and their baggage between the Monterey Peninsula Airport, on the one hand, and Carmel, Monterey, Seaside, Ford Ord, Salinas, Del Monte Forest, Del Rey Oaks, Esalen Institute, Highland Inn, Quail Lodge and points intermediate thereto, on the other hand. Applicant provides an on call service tailored to coincide with arrivals and departures of aircraft at the Monterey Peninsula Airport.

By this application, Airport Transportation Co. seeks authority to increase its passenger fares by approximately 29 percent.

The present fares were established by Decision 88885 dated May 31, 1978 in Application 57759.

The applicant alleges that the company has been recently operating at a deficit, and the proposed fare increase would offset the estimated loss for the rate year of 1980.

The applicant further alleges that the proposed revenue increase would also have to offset the increase in the following expenses each of which varies as a percentage of gross revenue:

1. Drivers' compensation on a commission basis, 40%
2. Franchise fee to airport (10% on first \$10,000 of monthly gross revenue and 15% above that), 15%
3. Ad Valorem Tax (possessory interest) on airport lease, 1%

4. Payroll Taxes and Workmen's Compensation Insurance 19.5% of above payroll or 7.8% of gross revenue.

The Transportation Division of the Commission reviewed the data in the application, the annual reports to the Commission and the operations of applicant.

The annual report to the Commission for the year 1978 shows that this carrier had Gross Revenues of \$201,153 and Expenses before Taxes on Income of \$192,969.

Exhibit A attached to the application uses a rate year of Estimated 1979 and shows estimated revenues and expenses at both the present fares and at the fares proposed in the application. The exhibit indicates that the 29% increase in fares will generate \$56,000 and the operating ratios will be 107.1% and 98.0% at present and proposed fares respectively. The projected 1979 revenue is shown to be \$204,155 at present fares and \$260,155 at proposed fares.

Applicant claims that the increase in fares should be granted expeditiously because the immediate and the continuing increases in expenses, especially gasoline and insurance, will cause the applicant to operate at a greater loss.

The Commission is aware that airline service to and from the Monterey Peninsula Airport is being greatly reduced as a result of the Airline Deregulation Act of 1978. This is causing a reduction in potential passengers for this carrier thus causing even greater losses than previously anticipated.

Notice of the filing of this application was listed in the Commission's Daily Calendar on October 17, 1979. Additionally, the Commission staff notified affected public transit operators and planning agencies of the receipt of this application, pursuant to California Public Utilities Code Sections 730.3 and 730.5. No protest to the application has been received.

After consideration, the Commission finds that the increase in rates and charges authorized by this decision are justified and are reasonable, and the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future, unjust and unreasonable. The proposed rates qualify for an exemption to the President's Guidelines for Wage and Price Increases since they are reasonable and are necessary to ensure the continued viability of this transportation service. A public hearing on this application is not necessary.

O R D E R

IT IS ORDERED that:

1. Airport Transportation Co. is authorized to establish the increased rates as shown in Exhibit C attached to the application. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective no earlier than ten days after the effective date of this order on not less than ten 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.

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3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in his vehicles and terminals a printed explanation of fares. Such notice shall be posted not less than ten days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

Since the carrier is presently operating at a substantial loss, the effective date of this order is the date hereof.

Dated JAN 15 1980, at San Francisco, California.

John E. Gynn  
President  
George L. Stevenson  
Robert W. Stovall  
Clayton D. Davidson  
Lawrence J. Ginn  
Commissioners