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Decision 97-05-077 May 21, 1997

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the matter of applicant of the South & East Bay Airport Shuttle, Inc. to establish a Zone of Rate Freedom (ZORF) for its airport passenger fares between its authorized service areas in Santa Clara, San Francisco, Alameda Counties, to and from San Francisco, San Jose, Oakland Airports.

Application 97-03-021  
(Filed March 11, 1997)

**ORIGINAL**

**O P I N I O N**

South Bay Airport Shuttle, Inc. (applicant), a corporation, is authorized by Decision (D.) 91-02-014, D.92-05-052, and D.92-12-024 to operate as an on-call passenger stage corporation (PSC-5196) between points in the Counties of Santa Clara, San Mateo, Alameda, and Contra Costa, on the one hand, and San Francisco (SFO), Oakland (OAK), and San Jose (SJC) International Airports, on the other hand. Applicant requests authority pursuant to Public Utilities (PU) Code § 454.2 to establish a Zone of Rate Freedom (ZORF), between its authorized service area and airports. The ZORF would be \$20 below and above its present authorized fares on file with the Commission. The minimum fare under ZORF would be \$3.

Applicant also requests to be exempted from the long- and short-haul provisions of PU Code § 460 because of major differences in demand among the service areas. Therefore, some fares for the shorter distances may be higher than for the longer distances.

Applicant competes with other passenger stage corporations, taxi cabs, limousines, buses, and automobiles in its service area.

The proposed ZORF of \$20 is fair and reasonable.

When the proposed ZORF is implemented, it may conflict with PU Code § 460. Applicant should be relieved from the long- and short-haul provisions of PU Code § 460.

Notice of filing of the application appeared in the Commission's Daily Calendar on March 18, 1997. No protest has been received. The applicant notified the affected cities and airports.

The Rail Safety and Carriers Division recommends that the application be granted.

#### **Findings of Fact**

1. Applicant is authorized to operate as an on-call passenger stage corporation (PSC-5196) by D.91-02-014, D.92-05-052, and D.92-12-024, to operate between points in the Counties of Santa Clara, San Mateo, Alameda, and Contra Costa, on the one hand, and SFO, OAK, and SJC, on the other hand.

2. Applicant requests authority to establish a ZORF of \$20 above and below its present fares on file with the Commission but not less than a minimum fare of \$3. The ZORF is fair and reasonable.

3. Applicant competes with passenger stage corporations, taxi cabs, limousines, buses, and automobiles in its operations.

4. No protests to the application have been filed.

#### **Conclusions of Law**

1. The application for a ZORF should be granted.

2. Before applicant changes fares under the ZORF authorized below, applicant should give this Commission 10 days' notice.

3. The filing of ZORF fares should be accompanied by a tariff amendment showing between each service point the high and low ends of the ZORF and the then currently effective fare.

4. The granting of an exemption to the long- and short-haul provisions of PU Code § 460 is appropriate in this case.

5. In order to make the proposed fare changes available as soon as possible, the following order should be effective on the date of this decision.

**O R D E R**

**IT IS ORDERED that:**

1. South Bay Airport Shuttle, Inc.(applicant), a corporation, is authorized under Public Utilities (PU) Code § 454.2 to establish a Zone of Rate Freedom (ZORF) fares of \$20 below and above its present authorized fares, filed with the Commission.

2. Applicant shall file a ZORF tariff in accordance with the application on not less than 10 days' notice to the Commission and to the public and subject to Commission approval. The ZORF shall expire unless exercised within 60 days after the effective date of this order.

3. Applicant may make changes within the ZORF by filing amended tariffs on not less than 10 days' notice to the Commission and to the public. The tariff shall include between each service points the authorized maximum and minimum fares and the fare to be charged.

4. Applicant is exempted from the long- and short-haul provisions of PU Code § 460 in setting the authorized ZORF fees.

5. In addition to posting and filing tariffs, applicant shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. Such notices shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

6. The application is granted as set forth above.

7. This proceeding is closed.

This order is effective today.

Dated May 21, 1997, at Sacramento, California.

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
RICHARD A. BILAS  
Commissioners