

Decision 05-10-033 October 27, 2005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SuperShuttle of San Francisco, Inc. (PSC-1298) for authority to establish revised rates and Zones of Rate Freedom for service between the San Francisco International Airport, San Jose Airport, Oakland Airport, points in San Francisco, San Mateo, Santa Clara, Alameda, and Contra Costa Counties.

Application 05-03-014
(Filed March 15, 2005)

O P I N I O N

Summary

This decision grants the application of SuperShuttle of San Francisco, Inc. (Applicant), a corporation, to revise its passenger fares and to establish an expanded zone of rate freedom (ZORF), pursuant to Pub. Util. Code §§ 454 and 454.2.

Discussion

Applicant holds a passenger stage corporation (PSC) certificate under which it operates a door-to-door airport shuttle service between points in San Mateo, Santa Clara, San Francisco, Alameda, and Contra Costa Counties and the Bay Area's three major airports: San Francisco International (SFO), Oakland International (OAK), and San Jose International (SJC). Applicant was first issued a PSC certificate in 1985 by Decision (D.) 85-08-077 that authorized transportation between San Francisco and SFO. Subsequent decisions expanded the service area.

Applicant has been granted various authorizations to establish ZORF fares, first by D.88-12-066 and lastly by D.98-01-041. The range of the authorized

ZORFs is not consistent throughout the service area. This application, as amended by letter dated September 16, 2005, requests authority to establish an expanded, uniform ZORF that will apply to all of Applicant's PSC operations. The current and proposed ZORF fares are set forth in Exhibit C of the application. The proposed ZORF is \$10 above and below any existing fare of \$30 and under and \$20 above and below any existing fare over \$30, with a minimum fare of \$5. The effect on Applicant's fare structure between SFO and San Francisco, for instance, would be to expand the present authorized ZORF of \$7 to \$13 (with \$13 being the current fare) to a range of \$5 to \$23. An example at a higher fare level would be transportation between Antioch and SFO, where the current ZORF of \$61 to \$69 would be expanded to \$45 to \$85 (based on the current fare of \$65).

According to applicant, a revised ZORF is necessary because competitive conditions in the airport transportation market require that it be able to respond quickly to changing market conditions and the cost of providing service. It cites as an example the well documented recent spike in gasoline costs. Applicant maintains that since entering the airport ground transportation market 20 years ago it has proven to be a leader in the provision of high quality, reliable, and economical airport shuttle service. In particular, it points to its offering of reliable shared-ride service to airports, a market segment that Applicant believes other carriers eschew. It desires to have a broader ZORF that is more consistent with the ZORFs held by other PSCs.

Applicant will compete with PSCs, taxicabs, limousines, public transit, and automobiles in its service area. This highly competitive environment should result in Applicant pricing its services at a reasonable level. As Applicant notes, the requested ZORF is generally consistent with ZORFs the Commission has granted to other PSCs in recent years.

Under the proposed revised ZORF, Applicant's existing fares will become the base fares for future ZORF fare adjustments. The existing fares may be higher or lower than their original levels because of ZORF adjustments Applicant has made over the years. To the extent that base fares are being raised, Applicant believes the increases are justified. Some of the base fares were established more than 15 years ago. Exhibit B of the application includes Applicant's income statement for the year ending September 30, 2004, which discloses a loss from operations in each of the 12 months and a loss for the year of \$579,000.

Applicant's request to establish a revised ZORF and to have its existing fares become the new base fares for future ZORF adjustments is reasonable and justified. We will grant the relief requested.

Notice of filing of the application appeared in the Commission's Daily Calendar on March 22, 2005. In Resolution ALJ 176-3150 dated April 7, 2005, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3150.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Findings of Fact

1. Applicant is currently authorized to operate as a PSC on an on-call basis between points in five Bay Area counties and SFO, OAK, and SJC.
2. Applicant requests authority to establish a revised ZORF of \$10 above and below any existing fare of \$30 and under and \$20 above and below any existing

fare over \$30, as shown in Exhibit C of the application. A minimum fare of \$5 will apply.

3. The proposed increases in base fares are justified under Pub. Util. Code § 454.

4. Applicant will compete with other PSCs, taxicabs, limousines, public transit, and private automobiles in its operations. The ZORF is fair and reasonable.

5. No protest to the application has been filed.

6. A public hearing is not necessary.

7. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. The proposed fares are just and reasonable and should be granted.

2. The application for a ZORF should be granted.

3. Before Applicant changes any fares under the ZORF authorized below, Applicant should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points

4. Since the matter is uncontested, the decision should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. SuperShuttle of San Francisco, Inc. (Applicant), a corporation, is authorized under Pub. Util. Code § 454 to establish the base fares shown in Exhibit C of the application.

2. Applicant is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$10 above and below any fare of \$30 and under and \$20 above and below any fare of \$30 and above, as shown in Exhibit C of the application.

3. Amended tariff pages may be filed on or after the effective date of this order. They may become effective ten days or more after the effective date of this order provided that the Commission and the public are given not less than five days' notice.

4. Applicant shall file a ZORF tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF and the authorized increase in fares shall expire unless exercised within 120 days after the effective date of this order.

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

6. 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 ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

7. The Application is granted as set forth above.

8. This proceeding is closed.

This order is effective today.

Dated October 27, 2005, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
SUSAN P. KENNEDY
DIAN M. GRUENEICH
JOHN A. BOHN
Commissioners