

Decision 26-04-025

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Santa Barbara Airbus, Inc. d/b/a Santa Barbara Airbus (PSC-1262) for Authority to Increase Base Fares and Continue to Maintain a Zone of Rate Freedom.

Application 25-10-002
(Filed October 6, 2025)

EXECUTIVE DIRECTOR'S ORDER

Summary

This decision grants the application of Santa Barbara Airbus, Inc. (PSC-1262), doing business as Santa Barbara Airbus, a California corporation, to increase its current fares and to maintain a Zone of Rate Freedom pursuant to Public Utilities Code § 454.2. This application was filed pursuant to the procedures adopted in Decision 15-05-029.

The application is granted.

The proceeding is closed.

1.1. Factual Background

Santa Barbara Airbus, Inc. (Applicant), doing business as Santa Barbara Airbus, a California corporation, currently holds a Passenger Stage Corporation (PSC) Certificate of Public Convenience and Necessity (CPCN) (PSC-1262) and a Transportation Charter-Party Carrier (TCP) "A" Certificate (TCP-1262A).

Applicant is currently authorized to transport passengers and baggage on a scheduled and “on-call” basis from points in Los Angeles, San Luis Obispo, Santa Barbara, and Ventura Counties and Los Angeles International Airport (LAX), Burbank-Glendale-Pasadena Airport (BUR), Santa Barbara Municipal Airport (SBA), and San Luis Obispo Airport (SLO). The current CPCN was last amended by Decision (D.) 04-04-057 in which the Commission granted the transfer of the PSC Certificate of the former Great American Stageline, Inc. (PSC-962) to Applicant, establishing the currently authorized routes and service areas. Applicant’s CPCN was originally granted by D.82-10-067.

Applicant requests to increase its prepaid and non-prepaid fares for its Route 1 service (to and from LAX) and its Route 2 service (to and from SBA), to remove certain discounts on those routes for multiple passengers and round-trip fares, and to modify the design of its Commuter Program Fares and Bulk Purchase Discount. In addition, Applicant requests to maintain its current Zone of Rate Freedom (ZORF) to adjust fares up to fifteen percent (15%) above or below the proposed base fares.

1.2. Procedural Background

This application is granted pursuant to the procedures adopted in D.15-05-029.

1.3. Submission Date

This matter was submitted on October 6, 2025.

2. Jurisdiction

The CPUC regulates PSCs pursuant to California Public Utilities (Pub. Util.) Code § 1031 et seq. Applications to increase fares are governed by Pub. Util. Code

§§ 454 and 454.2 and the Commission's Rules of Practice and Procedure (Rules), Rule 3.2.

3. Issues Before the Commission

The issues to be determined or otherwise considered are:

1. Whether Applicant's request for a fare increase and to maintain a ZORF meets all Commission requirements of D.15-05-029 and the Commission's Rules of Practice and Procedures (RPP) Rule 3.2 (Authority to Increase Rates);
2. Whether Applicant's proposed transportation services comply with the California Environmental Quality Act (CEQA); and
3. Whether Applicant's proposed transportation services impact environmental and social justice communities, including the extent to which Applicant's operation in California impacts achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan.

4. Discussion

Applicant requests that the California Public Utilities Commission (Commission) grant it authority to increase its fares and to "streamline its fares by removing certain discounts for multiple passengers and round-trip fares."¹

Applicant last obtained Commission authority to increase its base fares and to continue its ZORF through issuance of D.20-06-066. Applicant subsequently amended its tariffs to adopt the authorized fares, effective March 17, 2025, which Applicant now seeks to increase in the instant application. The relevant current

¹ See Application at pages 3-4.

tariff pages are presented in Attachment B of the application. Since the last base fare increase, Applicant states that there have been “tremendous increases to many aspects of [its] operating costs” and cites increased wages to retain skilled commercial drivers and costs to maintain its vehicle fleet (including automobile insurance) as well as high inflation over the past five years and changes in the manner in which people travel and do business following the COVID-19 pandemic.²

In Attachment C, Applicant presents the proposed prepaid and non-prepaid fares for its Route 1 and Route 2 services. Table 1 compares the current fares in Attachment B to the proposed fares in Attachment C for Route 1 and identifies the percentage increase between them. For its service along Route 1, the base fare increases range from 11% to 22%.

Table 1: Route 1 (To/From Los Angeles International Airport)		
San Luis Obispo, Pismo Beach, Nipomo		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$80	\$95	18.75% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$86	\$105	22.09% increase
Santa Maria, Lompoc, and Buellton		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$74	\$85	14.86% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$80	\$95	18.75 % increase
Goleta, Santa Barbara, Carpinteria		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$60	\$70	16.67% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase

² See Application at 4.

\$69	\$81	17.39% increase
Ventura and Oxnard		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$51	\$60	17.65% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$63	\$70	11.11% increase
Camarillo and Thousand Oaks		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$46	\$52	13.04% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$51	\$58	13.73% increase

Table 2 similarly compares the current and proposed for Route 2 and identifies the percentage increase between them. For its service along Route 2, the base fare increases range from 0% to 57%.

Table 2: Route 2 (To/From Santa Barbara Municipal Airport)		
San Luis Obispo		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$51	\$65	27.45% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$57	\$75	31.58% increase
Pismo Beach and Nipomo		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$46	\$55	19.57% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$51	\$65	27.45% increase
Santa Maria, Lompoc, and Buellton		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$40	\$50	25% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$45	\$60	33.33% increase

Santa Barbara and Carpinteria³		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$20	\$20	0% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$19	\$30	57.89% increase
Ventura and Oxnard		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$40	\$45	12.5% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$45	\$55	22.22% increase
Camarillo and Thousand Oaks		
Current Prepaid Fare	Proposed Prepaid Fare	Percentage Increase
\$45	\$45	0% increase
Current Non-Prepaid Fare	Proposed Non-Prepaid Fare	Percentage Increase
\$50	\$55	10% increase

Furthermore, Applicant requests to streamline the fares for its Commuter Program by establishing a uniform \$29 fare each way per ride, replacing the current variable fare structure that adjusts according to the number of monthly trips.⁴ Applicant also proposes to increase the monthly fee for its Commuter Program from \$50 to \$88 per month and to apply its authorized ZORF to the increased monthly fee and fares.⁵

Similarly, Applicant requests to streamline the design of its Bulk Purchase Discount. Rather than its current, route-specific discounts, Applicant proposes to

³ On the currently effective tariff, as presented in Attachment B, the listed prepaid fare for one passenger is \$20 while the non-prepaid fare is \$19. The Applicant has confirmed this is a typographical error in the effective tariff that will be superseded by the requested fares.

⁴ See Attachment C of Application.

⁵ *Id.*

establish a uniform discount of 5% per ticket when purchasing 6 to 9 tickets at the same time and an 8% discount per ticket when purchasing 10 or more tickets at the same time.⁶

Applicant requests that the Commission allow it to maintain its existing Zone of Rate Freedom (ZORF) range of 15% above and below the proposed base fares.⁷ D.15-05-029 authorizes the Executive Director to grant a 15% ZORF above and below the granted fares; therefore, a 15% ZORF should be granted.

Applicant will compete with other PSCs, charter-party carriers, taxicabs, transportation network companies (TNCs), limousines, public transit, and private automobiles in its operations. This highly competitive environment should result in Applicant pricing its services at a reasonable level.

Since the proposed fare increases and other requested changes will not add vehicles on public highways, a California Environmental Quality Act review is not required because there is no possibility that the fare increase may have a significant adverse effect on the environment.

The Commission's ESJ Action Plan recognizes the disproportionate impacts of environmental hazards in communities of color and identifies ways the CPUC can use its regulatory authority to address funding and resources for these communities to mitigate the outcomes of past inequities and barriers. This application is to increase fares for established routes and does not have any impact on the achievement of any of the nine goals of the Commission's ESJ Action Plan.

⁶ *Id.*

⁷ *See* Application at 5.

In Resolution ALJ 176-3571, dated October 30, 2025, the Commission preliminarily categorized this application as ratesetting. No protest has been received. Given this status, a public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in ALJ Resolution 176-3571.

Notice of filing of the application appeared in the Commission's Daily Calendar on October 8, 2025. On January 15, 2026, the application was reassigned from Commissioner John Reynolds and Administrative Law Judge Lena Afary to Examiner Terra Curtis.

5. Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, as provided in Rule 14.6(c)(2), the otherwise applicable 30-day public review and comment period for this decision is waived.

6. Assignment of Proceeding

Terra Curtis is the assigned Examiner in this proceeding.

Finding of Fact

1. Applicant operates as an on-call and scheduled PSC pursuant to D.82-10-067 and D.04-04-057.
2. Applicant requests authority to increase the current fares on its Route 1 (LAX) and Route 2 (SBA) service as described in Attachment C.
3. Applicant requests authority to change the structure of its tariffed Commuter Program and to increase the fare to \$29 each way; to increase the monthly fee for its Commuter Program from \$50 to \$88 per month; and to apply its authorized ZORF to the increased monthly fee and fares as described in Attachment C.

4. Applicant requests authority to change the structure of its tariffed Bulk Purchase Discount to establish a uniform discount of 5% per ticket when purchasing 6 to 9 tickets at the same time and an 8% discount per ticket when purchasing 10 or more tickets at the same time.

5. Applicant requests authority to maintain a 15% ZORF above and below the proposed fares.

6. D.15-05-029 authorized the Executive Director to grant a ZORF of 15% above and below the granted fares.

7. Applicant has cited increased labor, insurance, equipment, and other operating costs since being granted its last fare increase by D.20-06-066.

8. Applicant will be operating in a highly competitive market.

9. Because the matter is uncontested, the decision should be effective on the date it is signed.

10.No protest to the application has been filed.

11.A public hearing is not necessary.

12.A California Environmental Quality Act review is not required for this decision because it can be seen with certainty that there is no possibility that the proposed operations may have a significant adverse effect on the environment.

13.The proposed fare increases, changes to its commuter and discount programs, and request to maintain a ZORF do not impact achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan.

Conclusions of Law

1. Public convenience and necessity have been demonstrated, and the Application should be granted.

2. The Executive Director is authorized to sign, on behalf of the Commission, orders granting PSC Applications in the process adopted in D.15-05-029.
3. The proposed fares are justified under Pub. Util. Code § 454.
4. A ZORF of 15% should be granted because the ZORF is fair and reasonable.
5. Before Applicant changes any fares under the authorized ZORF, 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.
6. Because the matter is uncontested, the decision should be effective on the date it is signed.
7. A public hearing is not necessary.
8. A California Environmental Quality Act review is not required for this decision because it can be seen with certainty that there is no possibility that the fare increase requested may have a significant adverse effect on the environment.
9. A.25-10-002 should be closed.

O R D E R

IT IS ORDERED that:

1. Santa Barbara Airbus, Inc. (PSC-1262), doing business as Santa Barbara Airbus, a California corporation, is authorized under California Public Utilities (Pub. Util.) Code § 454 to establish the increased fares shown in the application.
2. To implement the increases authorized in this decision, Applicant shall, on or after the effective date of this order, file revised tariff pages in accordance with the General Order 158 Series. The revised pages and fares listed in them shall be made effective no earlier than 10 days after the date of filing.

3. Applicant is authorized under Pub. Util. Code § 454.2 to continue a Zone of Rate Freedom (ZORF) of 15% above and below the proposed fares.
 4. Applicant may make changes within the ZORF by filing amended tariffs with at least 10 days' advance notice to the California Public Utilities Commission and to the public before the effective date of the tariff.
 5. In addition to posting and filing tariffs, Applicant shall post notices explaining fare increases in its terminals and passenger-carrying vehicles. Such notices shall be posted at least 10 days before the effective date of the fare changes and shall remain posted for at least 30 days.
 6. The authority to increase fares shall expire unless exercised within 120 days after the effective date of this decision.
 7. The application is granted as set forth above.
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8. Application 25-10-002 is closed.

This order is effective today.

Dated April 29, 2026, at San Francisco, California.

/s/ Leuwam Tesfai

Leuwam Tesfai
Executive Director