

Decision \_\_\_\_\_

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

In the Matter of the Application of Larry Lane dba THE KING'S COACH for Passenger Stage Authority under Section 1031 et seq., of the California Public Utilities Code, to Transport Passengers and their baggage, on a regularly scheduled basis, between specific stops in the Cities of Chico, Oroville (Butte County) and the City of Marysville (Yuba County), on the one hand, and the Sacramento International Airport (SMF), on the other hand; and to Establish a Zone of Rate Freedom.

Application 12-07-023  
(Filed July 26, 2012)

**D E C I S I O N****Summary**

This decision grants the application of Larry Lane (Applicant), an individual, pursuant to Pub. Util. Code § 1031 et seq., for a certificate of public convenience and necessity to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, and to establish a zone of rate freedom (ZORF), pursuant to Pub. Util. Code § 454.2.

**Discussion**

The application requests authority to operate as a scheduled PSC to transport passengers and their baggage between the Cities of Chico, Oroville, and Marysville, on the one hand, and Sacramento International Airport (SMF), on the other hand. Applicant advises that its customer base will consist of residents, business travelers, tourists, students, families, and visitors to the

outlying Counties of Butte and Yuba who seek affordable and reliable regularly scheduled bus service to and from SMF. Applicant is a longtime resident of Butte County who believes that the needs of these passengers are not currently being met. Applicant cites a 2011 report of the Bureau of Transportation Statistics, a division of the U.S. Department of Transportation, that states as many as 3.5 million of the nation's rural residents lost access to scheduled intercity transportation between 2005 and 2010. In Applicant's view, the cost of operating a private motor vehicle, including unpredictable gas prices, and highway congestion make the proposed service an efficient alternative means of transportation for those traveling between the involved cities and SMF.

Applicant will operate the service using three 21-passenger buses. Each bus will make one round trip per day. Applicant states that only trained, professional drivers will operate the vehicles. A reservation 24 hours in advance will be required to guarantee service. Attached to the application as Exhibit D is Applicant's financial statement as of July 5, 2012, which discloses assets of \$548,000, liabilities of \$238,500, and net worth of \$309,500.

The proposed one-way/round-trip fares are \$40/\$60 between SMF and Chico/Oroville, and \$25/\$45 between SMF and Marysville. There will be discounted fares for passengers traveling together in a group. Applicant requests authority to establish a ZORF of \$10 above and below fares under \$40 and \$20 above and below fares of \$40 or more. He will compete with other PSCs, charter operators, taxicab services, and private automobiles in his service area. This competitive environment should result in Applicant pricing his services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on July 31, 2012. Applicant served a notice of the application to the involved cities and counties.

In Resolution ALJ 176-3298 dated August 2, 2012, 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 176-3298.

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.

### **Assignment of Proceeding**

Emory J. Hagan, III is the assigned Examiner in this proceeding.

### **Findings of Fact**

1. The application requests authority to operate as a scheduled PSC to transport passengers and their baggage between points in the Cities of Chico, Oroville, and Marysville, on the one hand, and SMF, on the other hand.
2. Public convenience and necessity requires the proposed service.
3. Applicant requests authority to establish a ZORF of \$10 above and below fares under \$40 and \$20 above and below fares of \$40 or more, as described in the application.
4. Applicant will compete with other PSCs, charter services, taxicabs, and private automobiles in his 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. Public convenience and necessity has been demonstrated and the application should be granted.
2. The request 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. A certificate of public convenience and necessity (CPCN) is granted to Larry Lane (Applicant), an individual, authorizing him to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers and their baggage between the points and over the routes set forth in Appendix PSC-29784, subject to the conditions contained in the following paragraphs.
2. Applicant shall:
  - a. File a written acceptance of this certificate within 30 days after this decision is effective.
  - b. Establish the authorized service and file tariffs and timetables within 120 days after this decision is effective.

- c. File tariffs on or after the effective date of this decision. They shall become effective ten days or more after the effective date of this decision, provided that the Commission and the public are given not less than ten days' notice.
  - d. Comply with General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.
  - e. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
  - f. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so.
  - g. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
  - h. Enroll all drivers in the pull notice system as required by Vehicle Code § 1808.1.
3. Applicant is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$10 above and below fares of under \$40 and \$20 above and below fares of \$40 or more, as described in the application.
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 shall expire unless exercised within 120 days after the effective date of this decision.
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 his 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. Applicant is authorized to begin operations on the date that the Consumer Protection and Safety Division mails a notice to Applicant that his evidence of insurance and other documents required by Ordering Paragraph 2 have been filed with the Commission and that the CHP has approved the use of Applicant's vehicles for service.

8. Before beginning service to any airport, Applicant shall notify the airport's governing body. Applicant shall not operate into or on airport property unless such operations are authorized by the airport's governing body.

9. The CPCN to operate as PSC-29784, granted herein, expires unless exercised within 120 days after the effective date of this decision.

10. The Application is granted as set forth above.

11. This proceeding is closed.

This decision is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC-29784

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Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges.

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All changes and amendments as authorized by  
the Public Utilities Commission of the State of California  
will be made as revised pages or added original pages.

**I N D E X**

	<b>Page</b>
SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS.....	2
SECTION II. SERVICE AREAS .....	3
SECTION III. ROUTE DESCRIPTION .....	3

SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,  
LIMITATIONS, AND SPECIFICATIONS.

Larry Lane, an individual, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to transport passengers and their baggage on a scheduled basis between the points described in Section II, over the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- A. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- B. Service shall be operated only at the points described in Section II. A description of all the stop points and the arrival and departure times from such points shall be indicated in the timetable filed with the Commission.
- C. Only passengers having a point of origin or destination of Sacramento International Airport shall be transported.
- D. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREAS.

- A. Points in the Cities of Chico, Oroville, and Marysville.
- B. Sacramento International Airport (SMF).

SECTION III. ROUTE DESCRIPTIONS.

Commencing from any point described in Section IIA, then over the most convenient streets and highways to Sacramento International Airport.