

Decision \_\_\_\_\_

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

In the Matter of the Application of Starline Tours of Hollywood, Inc., a California corporation, for a Certificate of Public Convenience and Necessity to Operate as Passenger Stage Corporation providing Scheduled Service Between Points in Los Angeles County and Orange County and to Establish a Zone of Rate Freedom for the Provision of such service.

Application 11-03-022  
(Filed March 23, 2011)

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

This decision grants the application of Starline Tours of Hollywood, Inc. (Applicant), a corporation, 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 PSC to transport passengers and their baggage on a schedule basis between certain points in Los Angeles and Orange Counties.<sup>1</sup> Passengers will be able to board and off-board Applicant's buses at points of interest along four routes. Applicant currently

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<sup>1</sup> Cities to be served are Anaheim, Buena Park, Santa Ana, Garden Grove, Orange, Los Angeles, Beverly Hills, and Santa Monica.

provides round-trip sightseeing services in Los Angeles County, including parts of Los Angeles, Hollywood, Beverly Hills, Santa Monica, and Universal City. Among the dozens of sights visited are famous buildings, sports and performance venues, shopping centers, studios, museums, and cemeteries.

Applicant desires to extend the reach of its Los Angeles County sightseeing services to certain tourist destinations in Orange County, including Disneyland and Knott's Berry Farm. It states that tourists visiting Southern California venues would be provided with a convenient and economical transportation option to visit many of Los Angeles and Orange Counties' tourist attractions. Fares will be assessed on a per passenger basis, with multiple day tickets also being made available. Passengers will be permitted to exit and re-board Applicant's buses at any of the scheduled stops.<sup>2</sup>

Applicant states it has the ability to operate the proposed services. It was established in 1986 and is holder of charter-party carrier authorities that authorize charter and round-trip sightseeing services. Applicant's chief officer, Vahid Sapir, has been in the transportation business for nearly 50 years. Attached to the application as Exhibit C is Applicant's unaudited balance sheet that discloses assets of \$2,981,000, liabilities of \$995,000, and equity of \$1,986,000.

The proposed adult fares range from \$35 to \$50. Applicant requests authority to establish a ZORF of 50% above and below these fares. It will compete with other PSCs, charter vehicles, taxicabs, and private automobiles in

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<sup>2</sup> Three San Francisco-based carriers with similar "hop on, hop off" services applied for PSC certificates in 2010. The applications were consolidated after a fourth carrier protested all three applications. The Commission's recent decision denying the protests and granting the applications determined, among other things, that a PSC certificate was an appropriate operating authority to hold to conduct hop-on, hop-off sightseeing services. (Decision 12-11-002 in Applications 10-08-025, 10-09-005, and 10-10-008.)

its service areas. This competitive environment should result in Applicant pricing its 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.

The City of Beverly Hills (City) filed a Response<sup>3</sup> to the application on May 6, 2011. City expressed concerns that Applicant's proposed stops do not conform with City's tour bus loading zone regulations, and that City has witnessed a continuous pattern of Applicant's patrons discarding a substantial amount of trash and rubbish in and around Applicant's route stops within the City. Additionally, City alleges that Applicant has violated City's Municipal Code by attaching signs to buildings adjacent to stop locations, placing signs in the middle of sidewalks near its stops, or attaching signs to existing public transit stop signs at these locations. City requests that, should the Commission approve the Application, conditions be attached to the PSC certificate requiring Applicant to comply with City's tour bus loading and staging zone regulations and its sign regulations pertaining to signage on private property, public property, or the public right-of-way. City also requests the attachment of a condition requiring Applicant to inform its patrons to observe local and state littering laws, provide a litter receptacle of a design approved by City in the immediate vicinity of Applicant's loading and staging zone stops, and to pick up all trash and rubbish in the immediate vicinity and deposit it in an appropriate litter receptacle prior to leaving the location.

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<sup>3</sup> Rule 2.6(c) of the Commission's Rules of Practice and Procedures provides: "Any person may file a response that does not object to the authority sought in an application, but nevertheless presents information that the person tendering the response believes would be useful to the Commission in acting on the application."

In its Reply to City's Response, Applicant states that it has already discussed and resolved with City certain items to their mutual satisfaction. Applicant agrees that it should conform to City's loading zone regulations and will endeavor to abide by them. Applicant indicates it is unaware of a pattern of its passengers depositing trash and rubbish in and around its stops. While Applicant concurs that violation of littering laws should not be tolerated, and it will endeavor to prevent violations, Applicant does not agree that the Commission should place restrictions on Applicant's operations which it believes are unreasonable, unnecessary, unduly burdensome, and discriminatory. Applicant notes that its stop locations are not for its exclusive use, and trash and rubbish in the vicinity of those locations will not necessarily be generated by tour bus patrons, let alone Applicant's passengers. Applicant, however, is willing to train its drivers to remind passengers to obey the law by not littering and to use the waste receptacles provided on Applicant's buses. Applicant disputes that it has placed any signs without permission in violation of City's Municipal Code. It states, though, that this is a non-issue since it has every intention of cooperating with City and complying with its signage regulations.

Applicant should, of course, comply with City's bus loading zone regulations. We have conditioned other PSC certificates to require compliance with such regulations, and it is appropriate to do so in this case. It is not unreasonable to attach a condition requiring compliance with City signage regulations since Applicant indicates it intends to comply with these requirements. Moreover, Applicant's alleged use of sidewalk signs in violation of City regulations could present a safety hazard to pedestrians. We agree with Applicant that it should not be responsible for trash pickup and placement of trash receptacles in the vicinity of its stops when the litter could be generated by

sources other than its patrons, but we will require Applicant to train its drivers on this issue. This should help to alleviate City's concerns.

Notice of filing of the application appeared in the Commission's Daily Calendar on April 6, 2011. Applicant served a copy of the application to the public transit operators in the service area and sent a notice of the application to the eight affected cities.

In Resolution ALJ 176-3272 dated April 14, 2011, 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 176-3272.

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 Orange and Los Angeles Counties.
2. Public convenience and necessity requires the proposed service.
3. Applicant requests authority to establish a ZORF of 50% above and below the proposed fares described in the application.
4. Applicant will compete with other PSCs, charter vehicles, taxicabs, public transit, and private automobiles in its operations. The ZORF is fair and reasonable.

5. City filed a Response to the application in which it raises issues regarding Applicant's use of bus loading zones, its compliance with City's signage regulations, and alleged littering by Applicant's patrons.

6. Applicant states it will comply with City's bus loading zone regulations and signage regulations.

7. Sources other than Applicant's passengers may be contributing to the litter problem reported by City.

8. Applicant will take steps to remind passengers to obey the law by not littering and to place unwanted trash in marked receptacles before exiting Applicant's buses.

9. No protest to the application has been filed.

10. A public hearing is not necessary.

11. 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. Applicant should be ordered to comply with City's bus loading zone regulations and signage regulations, and to train its drivers to remind passengers not to litter and to use the waste receptacles provided on Applicant's buses.

5. 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 Starline Tours of Hollywood, Inc. (Applicant), a corporation, authorizing it 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-227, 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 and timetables 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 50% above and below the fares 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 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. Applicant is authorized to begin operations on the date that the Consumer Protection and Safety Division mails a notice to Applicant that its 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. Applicant shall comply with City of Beverly Hills bus loading and staging zone regulations.

10. Applicant shall comply with signage regulations contained in the Beverly Hills Municipal Code.

11. Applicant shall train its drivers to remind passengers to obey the law by not littering and to use the trash receptacles provided on Applicant's buses.

12. The CPCN to operate as PSC-227, granted herein, expires unless exercised within 120 days after the effective date of this decision.

13. The Application is granted as set forth above.

14. 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-227

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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 AREA .....	3
SECTION III. ROUTE DESCRIPTIONS .....	3

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

Starline Tours of Hollywood, Inc., a corporation, 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. Service conducted within the City of Beverly Hills shall be subject to the following conditions:
  - (1) Carrier shall comply with City bus loading and staging zone regulations.
  - (2) Carrier shall comply with City signage regulations.
  - (3) Carrier shall train its drivers to remind passengers to obey the law by not littering and to use the trash receptacles provided on carrier's buses.

SECTION II. SERVICE AREA.

Points in the following cities:

A. Orange County

Anaheim

Buena Park

Santa Ana

Garden Grove

Orange

B. Los Angeles County

Los Angeles

Beverly Hills

Santa Monica

SECTION III. ROUTE DESCRIPTIONS.

Commencing from any point described in Section II, then over the most convenient streets and highways to any other point described in Section II.