

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Vice Ride LLC for authority to operate as both a scheduled and on-call passenger stage corporation between points in Santa Monica and Venice Beach and West Hollywood and Hermosa Beach and Manhattan Beach and the areas within the City of Los Angeles and to Establish a Zone of Rate Freedom

Application 12-10-022
(Filed October 22, 2012)

Amended Application
(Filed June 6, 2013)

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

This decision grants the application of Vice Ride, LLC, a limited liability company, pursuant to Pub. Util. Code § 1031 et seq., for a Certificate of Public Convenience and Necessity to operate as a Passenger Stage Corporation, as defined in Pub. Util. Code § 226, and to establish a Zone of Rate Freedom, pursuant to Pub. Util. Code § 454.2.

Discussion

Vice Ride, LLC (applicant), the amended application, and as supplemented by letter, requests authority to operate as a Passenger Stage Corporation (PSC) to transport passengers on an on-call passenger-shared shuttle service between points in Santa Monica, Venice Beach, West Hollywood, Hermosa Beach, Manhattan Beach, and the areas within the City of Los Angeles.¹

¹ Applicant filed an amended application dated June 6, 2013 removing 'scheduled service' from the Original Application.

Applicant states there is a need for the proposed service. According to an informal questioning sessions and formal surveys with a geographically diverse sample within the Los Angeles County, individuals expressed frustration for driving across town due to but not limited to distance, traffic, increase in gas prices, parking issues, costs of alternative means of transportation, and drinking alcohol. Throughout Applicant's research, it is determined there is a market for Applicant's services. The demand for the service will fluctuate each day of the week, as well as with the seasons. As sports seasons change and weather changes, the demand will increase as well. This service will be shared between multiple customers in neighboring areas within close proximity to each other.

With two of Applicant's principals living in the target markets, the principals have discovered the market's need for an alternative solution. Applicant indicates that it possesses the knowledge and ability to operate a PSC service. Its three principle owners each have extensive higher education and significant experience in the business community. One owner has over 10 years of supply chain and logistics management experience, another has extensive education and experience working in finance and accounting, and the third owner has worked as a lawyer focusing on high-level business transactions.

Applicant will begin the operation with one 10 passenger van or one 15-passenger van, as described in Exhibit D of the application. Depending on the demand and growth of the business, Applicant may purchase additional vehicles. Attached to the application as Exhibit E is an unaudited balance sheet that discloses assets of \$19,135, liabilities of \$15,000, and net worth of \$4,135.

The proposed one-way fare for on-call service range between \$15 (Santa Monica – West Hollywood) and \$25 (Hermosa Beach-Downtown Los Angeles), as per amended application, Item (7). Applicant may provide the customer with certain predetermined pickup/dropoff time ranges and common destinations in

each service area. Customers may make reservations via Applicant's website, telephone, mobile application, or at Applicant's office.

Applicant requests authority to establish a Zone of Rate Freedom (ZORF) of \$10 above and below the proposed fare. It will compete with public transit, taxicabs, limousines, and private automobiles in this service area. This highly competitive environment should result in Applicant pricing 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 November 5, 2012. 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 affected cities.

In Resolution ALJ 176-3304 dated November 8, 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 176-3304.

Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

Safety Considerations

In order to be authorized to commence operations as a PSC, the applicant must comply with the following requirements in order to protect public safety: Proof of adequate insurance, compliance with the controlled substance and

alcohol testing program pursuant to Pub. Util. Code §1032.1 and General Order Series 158, and enrollment in the pull notice system as required by Section 1808.1 of the Vehicle Code.

Assignment of Proceeding

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

Findings of Fact

1. Applicant requests authority to operate as a PSC to transport passengers on an on-call passenger-shared shuttle service between Santa Monica, Venice Beach, West Hollywood, Hermosa Beach, Manhattan Beach, and the areas within the City of Los Angeles, on the other hand.
2. Applicant filed an amended application removing scheduled service.
3. Applicant requests authority to establish a ZORF of \$10 above and below the proposed fare.
4. Applicant will compete with public transit, taxicabs, limousines, and private automobiles in his operations.
5. Public convenience and necessity requires the proposed service.
6. No protest to the application has been filed.
7. A public hearing is not necessary.

Conclusions of Law

1. Public convenience and necessity has been demonstrated and the application, as amended, should be granted.
2. The request for a ZORF should be granted because the ZORF is fair and reasonable.
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.

5. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Vice Ride, LLC, a limited liability corporation, authorizing it to operate as a Passenger Stage Corporation (PSC), as defined in Pub. Util. Code § 226, to transport persons and their baggage between the points and over the routes set forth in Appendix PSC-30836, subject to the conditions contained in the following paragraphs.

2. Vice Ride, LLC, shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.
- c. File tariffs on or after the effective date of this order. They shall 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 ten days' notice.
- d. Comply with Commission General Orders Series 101 and 158, and the California Highway Patrol 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 Section 1808.1 of the Vehicle Code.
3. Vice Ride, LLC, is authorized under Pub. Util. Code § 454.2 to establish a Zone of Rate Freedom of \$10 above and below the proposed fare.
4. Vice Ride, LLC, shall file a Zone of Rate Freedom (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 order.
5. Vice Ride, LLC, may make changes within the Zone of Rate Freedom 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. Vice Ride, LLC, (Applicant), is authorized to begin operations on the date that the Commission's Safety and Enforcement Division mails a notice to Applicant that his evidence of insurance and other documents required by Ordering Paragraph No. 2 have been filed with the Commission and that the California Highway Patrol has approved the use of Applicant's vehicles for service.
7. Before beginning service to any airport, Vice Ride, LLC (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.

8. The Certificate of Public Convenience and Necessity to operate as Passenger Stage Corporation-30836, granted herein, expires unless exercised within 120 days after the effective date of this order.

9. The Application is granted as set forth above.

10. This proceeding is closed.

This order is effective today.

Dated _____, at Carmel-by-the-Sea, California.

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-30836

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

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.

Issued under authority of Decision _____,
dated _____, of the Public Utilities Commission
of the State of California in Application 12-10-022.

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

Vice Ride, LLC, a limited liability 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 and on-call 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. The term "on-call," as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.
- C. No passengers shall be transported except those having a point of origin or destination as described in Section II.
- 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 AREA.

- A. Points in Santa Monica and Venice Beach and West Hollywood and Hermosa Beach and Manhattan Beach
- B. Areas within the City of Los Angeles.

SECTION III. ROUTE DESCRIPTION.

On-Call Service

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