

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151) for authority to establish new schedules, rates and Zones of Rate Freedom for service between points in the Cities of Anaheim, Buena Park and Garden Grove on the one hand, and Los Angeles International Airport and John Wayne Airport on the other hand.

Application 13-05-011
(Filed May 9, 2013)

D E C I S I O N G R A N T I N G A P P L I C A T I O N**Summary**

This decision grants the application of Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151), a Florida corporation, to increase its passenger fares, to revise its Zone of Rate Freedom to \$10 above and below the approved rates, and to eliminate some underutilized scheduled service pursuant to Pub. Util. Code § 454.

Discussion

Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151) (Applicant) is authorized to operate as a Passenger Stage Corporation (PSC) to transport passengers and their baggage on a scheduled basis between the cities of Anaheim, Buena Park and Garden Grove and Los Angeles International Airport and John Wayne Airport in Orange County. Applicant's scheduled service is for the most part shuttles between the above airports and Disneyland and Knott's Berry Farm area hotels. Applicant acquired its operating authority by transfer

from CUSA PCSTC, LLC in Decision (D.)12-11-042, which authorized applicant to adopt CUSA PCSTC, LLC’s tariffs and timetables, including the Zone of Rate Freedom (ZORF) originally authorized CUSA PCSTC, LLC, in D.04-10-029.

Applicant’s current fares, as demonstrated with a tariff filing in April 2013 was accepted by the Commission and, are as follows:

Current Rates	
Los Angeles International Airport	One-Way Adult Fare: \$24 Child (ages 3 years to 11 years): \$21
	Round-Trip Adult Fare: \$33 Child (ages 3 years to 11 years): \$25
John Wayne Airport	One-Way Adult Fare: \$19 Child (ages 3 years to 11 years): \$17
	Round-Trip Adult Fare: \$29 Child (ages 3 years to 11 years): \$21

The proposed rates are:

Proposed Rates	
Los Angeles International Airport	One-Way Adult Fare: \$30 Child (ages 3 years to 11 years): FREE
	Round-Trip Adult Fare: \$48 Child (ages 3 years to 11 years): FREE
John Wayne Airport	One-Way Adult Fare: \$20 Child (ages 3 years to 11 years): FREE
	Round-Trip Adult Fare: \$35 Child (ages 3 years to 11 years): FREE

The current ZORF is as follows:

Current ZORF	
Los Angeles International Airport	Upper End One-Way Adult Fare: \$24 Child (ages 3 years to 11 years): \$21
	Upper End Round-Trip Adult Fare: \$33 Child (ages 3 years to 11 years): \$25
	Lower End One-Way Adult Fare: \$16 Child (ages 3 years to 11 years): \$13
	Lower End Round-Trip Adult Fare: \$25 Child (ages 3 years to 11 years): \$17
John Wayne Airport	Upper End One-Way Adult Fare: \$19 Child (ages 3 years to 11 years): \$17
	Upper End Round-Trip Adult Fare: \$29 Child (ages 3 years to 11 years): \$21
	Lower End One-Way Adult Fare: \$11 Child (ages 3 years to 11 years): \$9
	Lower End Round-Trip Adult Fare: \$21 Child (ages 3 years to 11 years): \$13

The proposed ZORF is \$10 above and \$10 below the proposed rates.

Applicant has determined that the existing late night schedules operate on average with fewer than 8 passengers per departure; the half hour service produces similar loads. In order to provide a sustainable service, Applicant proposes to provide mainly hourly service, with some half-hour schedules where warranted. In all, twelve runs will be eliminated from the current schedules.

Applicant estimates the rates proposed will increase revenues by no more than 3% based on the increase in base rates. Applicant states that it is experiencing higher costs of conducting business due to increased fleet size and associated costs, increased lease property costs, fuel, insurance and labor costs. Applicant stresses it will keep its rates at reasonable levels to accommodate the Disney Company as well as the families and individuals seeking affordable travel alternatives to the Disney amusement park. While Applicant proposes an increase in the adult fare, it is also eliminating the fare for children ages 3 to 11.

Applicant provided a financial statement for the year ended April 2012 from its parent Stagecoach Group PLC that indicates annual revenues of approximately \$4.16 billion and total assets of approximately \$2.69 billion.¹

Applicant competes with other PSCs, taxicabs, limousines, public transit and automobiles in its service territory, so it will have to keep its rates competitive. Applicant has adequately demonstrated that a fare increase is justified. We therefore will grant the relief requested.

Notice of filing of the application appeared in the Commission's Daily Calendar on June 4, 2013. Applicant served a copy of the application to the cities, counties, and airports involved.

¹ The financial statement is shown in UK pounds. The conversion factor used is 1.00 United Kingdom Pounds equals 1.61 United States Dollars.

In Resolution ALJ 176-3316 dated June 28, 2013, 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 176-3316.

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 insurance pursuant to General Order Series 101, 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 is authorized to operate as a PSC providing scheduled passenger transportation between the cities of Anaheim, Buena Park and Garden Grove and Los Angeles International Airport and John Wayne Airport.
2. Applicant was last granted a fare increase with a tariff filing in April 2013.
3. The application requests approval to increase revenues by no more than 3% based on the increase in base rates.

4. Applicant reports experiencing increased costs of operations, particularly for increased fleet size, increased lease property costs, fuel, insurance and labor costs.

5. Applicant will increase adult fares, but allow children ages 3 to 11 to ride for free.

6. Some underutilized scheduled service will be eliminated.

7. Applicant proposes a ZORF of \$10 above and \$10 below the approved rates.

8. No protest to the application has been filed.

9. A public hearing is not necessary.

10. 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 activity in question may have a significant effect on the environment.

Conclusions of Law

1. The application should be granted because the proposed fares are justified under Pub. Util. Code § 454.

2. Because 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. Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151), a Florida corporation, is authorized under Pub. Util. Code § 454 to establish the increased fares shown in the application.

2. Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151) is authorized to establish a Zone of Rate Freedom of \$10 above and \$10 below the approved rates.

3. Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151) is authorized to eliminate the underutilized runs as proposed in the application.

4. To implement the increases authorized in this decision, Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151) shall, on or after the effective date of this order, file revised tariff pages in accordance with General Order 158-Series. The revised pages and the fares listed in them shall be made effective no earlier than 10 days after the date of filing.

5. In addition to filing tariffs, Pacific Coast Sightseeing Tours and Charters, Inc. (PSC-29151) shall post notices explaining fare increases 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.

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.

8. This proceeding is closed.

This order is effective today.

Dated _____, at San Francisco, California.