

Decision 11-04-011 April 14, 2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Red Vans Management Services, Inc., a California corporation (PSC-19866) for authority to revise its current Zone of Rate Freedom to its current service points in Los Angeles, Orange, Ventura, Riverside and San Bernardino Counties and the Los Angeles World Airport (LAX), John Wayne Airport (SNA), Ontario International Airport (ONT), Long Beach Airport (LGB), Bob Hope Airport (BUR), Los Angeles/Long Beach Harbor, AMTRAC and the Greyhound Terminal pursuant to Pub. Util. Code Section 454.2.

Application 11-01-029
(Filed January 31, 2011)

D E C I S I O N

Summary

This decision grants the application of Red Vans Management Services, Inc. (Applicant), a corporation, to revise its zone of rate freedom (ZORF), pursuant to Pub. Util. Code § 454.2.

Discussion

Applicant is authorized to operate as a passenger stage corporation (PSC) to transport passengers and their baggage between points in Los Angeles, Orange, Ventura, Riverside, and San Bernardino Counties, on the one hand, and Los Angeles International, John Wayne, Ontario International, Long Beach, and Bob Hope Airports, Los Angeles and Long Beach Harbors, the Los Angeles Amtrak Station, and the Los Angeles Greyhound Terminal, on the other hand. The PSC certificate was granted by Decision (D.) 07-08-014. That decision also

approved Applicant's request to establish a zone of rate freedom (ZORF) of \$12 above and \$6 below its fares.

The application requests authority to revise the ZORF approved by D.07-08-014 to \$12 above and below any fare of \$20 and under, \$20 above and below any fare between \$21 and \$40, and \$40 above and below any fare over \$40. The minimum fare will be \$5. Applicant states that it operates in a highly competitive market where many carriers offer similar kinds of services to the traveling public. The current business environment which Applicant and other carriers are experiencing requires that they have additional flexibility in their operations to adequately contend with changing market conditions. Applicant notes that a commonly owned and managed PSC operating in the San Diego area holds a ZORF identical to the one Applicant is requesting.¹ According to Applicant, the greater range of fare adjustments available under that ZORF has provided its affiliate with a practical alternative to the costly and time consuming process that is otherwise required to make tariff fare changes (i.e., a formal application to the Commission).

The revised ZORF will better enable Applicant to adjust its fares in response to market forces, including volatile fuel prices. Applicant competes with many other PSCs in addition to taxicabs, charter limousines and sedans, public transit, and private automobiles in its service area. This highly 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.

¹ First Class Transportation, Inc. was granted its ZORF by D.03-01-011, dated November 13, 2003. Applicant and First Class Transportation, Inc. were brought under common ownership and management in 2008.

Notice of filing of the application appeared in the Commission's Daily Calendar on February 4, 2011. In Resolution ALJ 176-3269 dated February 24, 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 176-3269.

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

Richard Clark is the assigned Examiner in this proceeding.

Findings of Fact

1. Applicant is authorized to operate as a PSC between points in five Southern California counties, on the one hand, and various airports and common carrier terminals, on the other hand.
2. D.07-08-014 authorized Applicant to establish a ZORF of \$12 above and \$6 below its fares.
3. Applicant seeks to revise its ZORF to \$12 above and below any fare of \$20 and under, \$20 above and below any fare between \$21 and \$40, and \$40 above and below any fare over \$40. The minimum fare will be \$5.
4. Applicant competes with many other PSCs, taxicabs, charter sedans and limousines, public transit, and private automobiles in its 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. The application to revise the ZORF should be granted.
2. Before Applicant changes any fares under the revised 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.
3. 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. Red Van Management Services, Inc. (Applicant), a corporation, is authorized under Pub. Util. Code § 454.2 to establish a revised zone of rate freedom (ZORF) of \$12 above and below any fare of \$20 and under, \$20 above and below any fare between \$21 and \$40, and \$40 above and below any fare over \$40. The minimum fare will be \$5.
2. Applicant shall file a revised 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.
3. 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.

4. 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.

5. The Application is granted as set forth above.

6. This proceeding is closed.

This decision is effective today.

Dated April 14, 2011, at San Francisco, California.

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

MARK FERRON

Commissioners