

Decision 06-02-028 February 16, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Zafar Quraishi to transfer control of his passenger stage authority PSC-13438 to Mumtaz Group of Companies, LLC, under § 851, et seq., of the California Public Utilities Code; and to establish a Zone of Rate Freedom (ZORF) under § 454.2 of the Public Utilities Code.

Application 05-12-010
(Filed December 12, 2005)

O P I N I O N

Summary

This decision grants the application to transfer, pursuant to Pub. Util. Code § 851 et seq., a passenger stage corporation (PSC) certificate from Zafar Quraishi (Transferor), an individual, to Mumtaz Group of Companies, LLC (Transferee), a limited liability company, and for Transferee to establish a zone of rate freedom (ZORF) pursuant to Pub. Util. Code § 454.2.

Discussion

Transferor is authorized by Decision (D.) 03-09-062 to operate as a PSC to transport passengers and their baggage on an on-call basis between points in six Southern California counties, on the one hand, and eight airports, two railway stations, and the Los Angeles and Long Beach Harbors, on the other hand. The application requests approval to transfer the certificate (PSC-13438) to Transferee. Transferor will continue to be actively involved in the operation. He wishes to conduct the business as a limited liability company (LLC) because he believes it offers increased operational flexibility. One positive outcome will be the ability to offer an ownership interest to drivers, who will become members of

the LLC. As an LLC, the business will also be positioned to attract more investors, which will allow it to expand and to provide enhanced services, including to the elderly and the disabled.

The Purchase Agreement is attached to the application as Exhibit E. It provides for the sale of the PSC certificate, two vans, and other assets to Transferee. Transferor has agreed to waive the entire purchase price valued at \$20,000 and to receive instead a 20% membership interest in Transferee. Attached to the application as Exhibit F is Transferee's unaudited balance sheet as of October 12, 2005, that discloses assets and net worth of \$128,271.

Transferee will adopt Transferor's tariff currently on file with the Commission. Transferee requests authority to establish a ZORF of \$20 above and below any fare currently published in that tariff. The minimum fare will be \$5. Transferee will compete with other PSCs, taxicabs, charter limousines and sedans, public transit, and private automobiles in its service area. This highly competitive environment should result in Transferee 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.

Notice of filing of the application appeared in the Commission's Daily Calendar on December 15, 2005. In Resolution ALJ 176-3164 dated December 15, 2005, 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 176-3164.

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. Transferor is operating as an on-call PSC pursuant to D.03-09-062.
2. Transferor requests approval to transfer his PSC certificate to Transferee.
3. The proposed transfer will not be adverse to the public interest.
4. Transferee will adopt Transferor's tariff on file with the Commission.
5. Transferee requests authority to establish a ZORF of \$20 above and below any fare currently published in Transferor's tariff. The minimum fare will be \$5.
6. Transferee will compete with other PSCs, taxicabs, charter limousines and sedans, public transit, and private automobiles in its operations. The ZORF is fair and reasonable
7. No protest to the application has been filed.
8. A public hearing is not necessary.
9. 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 proposed transfer is in the public interest and should be authorized.
2. The request for a ZORF should be granted.
3. Before Transferee changes any fares under the ZORF authorized below, Transferee 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. Within 120 days from the effective date of this decision, Zafar Quraishi (Transferor), an individual, may transfer the operative rights specified in this application to Mumtaz Group of Companies, LLC (Transferee), a limited liability company, subject to the conditions contained in the following paragraphs.

2. Transferee shall:

- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service within 120 days after this order is effective and adopt Transferor's tariffs and timetables, state in them when the service will start, make them effective 10 or more days after this order is effective and allow at least 10 days' notice to the Commission.
- c. Comply with General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.
- d. Comply with the controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- 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. Transferee is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$20 above and below any fare in Transferor's tariff currently on file with the Commission. The minimum fare will be \$5.
4. Transferee 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 order.
5. Transferee 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, Transferee 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. Transferee is authorized to begin operations on the date that the Consumer Protection and Safety Division mails a notice to Transferee 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 Transferee's vehicles for service.
8. The CPCN granted to Transferor by Decision 03-09-062 is revoked on the date Transferee is notified that it may commence operations as provided in Ordering Paragraph 7.
9. Before beginning service to any airport, Transferee shall notify the airport's governing body. Transferee shall not operate into or on airport property without authority from the airport's governing body.

10. The CPCN to operate as PSC-17005, granted herein, shall expire unless exercised within 120 days after the effective date of this order.

11. The Application is granted as set forth above.

12. This proceeding is closed.

This order is effective today.

Dated February 16, 2006, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-17005

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.

Supersedes the authority heretofore granted to
Zafar Quraishi, an individual, by D.03-09-062.

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

This certificate supersedes all passenger stage operative authorities granted to Zafar Quraishi, an individual.

Mumtaz Group of Companies, LLC, a limited liability company, 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 an "on-call" basis between 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 IIB.
- 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 the Counties of Los Angeles, Orange, San Bernardino, Riverside, San Diego, and Ventura.

- B. Los Angeles International Airport
 Bob Hope (Burbank) Airport
 John Wayne Airport
 Ontario International Airport
 Long Beach Airport
 San Diego International Airport
 San Bernardino International Airport
 Palm Springs Airport
 Los Angeles and Long Beach Harbors
 Palm Springs Rail Station
 Los Angeles Amtrak Station

SECTION III. ROUTE DESCRIPTIONS.

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