

Decision 11-04-013 April 14, 2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Caribe Tours, Inc. for a Certificate of Public Convenience and Necessity to operate as a Passenger Stage Company to provide on-call, door-to-door transit service between various points in and around Desert Hot Springs, California; and to Establish a Zone of Rate Freedom.

Application 11-01-016
(Filed January 20, 2011)

D E C I S I O N

Summary

This decision grants the application of Caribe Tours, 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, as supplemented by a letter dated February 25, 2011, requests authority to transport passengers on an on-call basis between points in the City of Desert Hot Springs, on the one hand, and Fantasy Springs Casino in the City of Indio and Morongo Casino in Cabazon (an unincorporated community of Riverside County), on the other hand. Applicant states that Desert Hot Springs is underserved in the area of public transportation. Persons wishing to use local public transit to visit either of the casinos must make multiple transfers. Applicant proposes to operate a door-to-door service that will pick up

and drop off casino patrons at their homes or places of business. The service will operate seven days a week, 3:30 p.m. to 9:00 p.m.

Applicant indicates that it possesses the experience and ability to conduct the proposed service. Applicant's president and owner of 60% of its stock has three years' experience as a driver for a public transit agency. The service will operate with one leased 15-passenger van. Applicant is a new corporation. Its financial statement as of January 1, 2011, attached to the application as Exhibit I, discloses equity of \$5,000 cash.

The proposed fare is \$20 round trip. Applicant requests authority to establish a ZORF of \$5 above and below this fare. It will compete with taxicabs, charter vehicles, public transit, and private automobiles in its service area. This competitive environment should result in Applicant pricing its service 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 January 25, 2011. Applicant mailed a copy of the application to the public transit operator and transportation planning agency in the service area and sent a notice of the application to the Cities of Desert Hot Springs and Indio and the County of Riverside.

In Resolution ALJ 176-3268 dated January 27, 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 176-3268.

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 requests authority to operate as an on-call PSC to transport passengers between Desert Hot Springs, on the one hand, and Fantasy Springs Casino in Indio and Morongo Casino in Cabazon, on the other hand.

2. Applicant requests authority to establish a ZORF of \$5 above and below the proposed round-trip fare of \$20.

3. Applicant will compete with taxicabs, charter vehicles, public transit, and private automobiles in its operations. The ZORF is fair and reasonable.

4. Public convenience and necessity requires the proposed service.

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. 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 fare 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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity (CPCN) is granted to Caribe Tours, Inc. (Applicant), a corporation, authorizing it to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers between the points and over the routes set forth in Appendix PSC-27067, 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 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 Commission's 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 \$5 above and below the proposed round-trip fare of \$20.

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. 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.

7. 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.

8. The CPCN to operate as PSC-27067, granted herein, expires unless exercised within 120 days after the effective date of this decision.

9. The Application is granted as set forth above.

10. 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

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-27067

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.

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

Caribe Tours, 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 on an 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 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 AREAS.

- A. City of Desert Hot Springs
- B. Fantasy Springs Casino, City of Indio
Morongo Casino, Cabazon (Riverside County)

SECTION III. ROUTE DESCRIPTIONS.

Fantasy Springs Casino

Commencing from any point in the City of Desert Hot Springs, then over the most convenient streets and highways to Fantasy Springs Casino in Indio.

Morongo Casino

Commencing from any point in the City of Desert Hot Springs, then over the most convenient streets and highways to Morongo Casino in Cabazon.