

Decision 11-07-016 July 14, 2011

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Golden Star Express, LLC, for passenger stage authority under Section 1031 et seq., of the California Public Utilities (PU) Code to transport passengers and baggage express, on an on-call, county-to-county basis, between points in the counties of Imperial, San Diego, Orange, Los Angeles, San Bernardino, Riverside, Kern, Tulare, Fresno, Monterey, Santa Clara, San Francisco, Alameda, and Sacramento, described in the body of the Application, on the one hand, and to provide door-to-door shuttle service between points in Los Angeles and San Diego counties, and the Los Angeles International Airport (LAX), the San Diego International Airport (SAN), Los Angeles/Long Beach Harbors and the San Diego Harbor, on the other hand; and to Establish a Zone of Rate Freedom (ZORF) under Section 454.2 et seq., PU Code.

Application 11-05-015  
(Filed May 18, 2011)

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

**Summary**

This decision grants the application of Golden Star Express, LLC (Applicant), 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 (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 requests authority to transport passengers, their baggage, and express<sup>1</sup> as a PSC. Applicant proposes to operate two distinct transportation services. The first is on-call, “county-to-county” transportation between points in 14 counties.<sup>2</sup> The customer base for this service is expected to be seasonal migrant workers and their families traveling between mostly rural work sites. The second service is a door-to-door shuttle service between points in Los Angeles and San Diego Counties, on the one hand, and Los Angeles International (LAX), San Diego International (SAN), and Long Beach (LGB) Airports, and Los Angeles, Long Beach, and San Diego Harbors, on the other hand.<sup>3</sup> Applicant anticipates that international business and leisure travelers will be the primary users of the door-to-door service. It notes that since the establishment of the North American Free Trade Agreement, travel between the United States and Mexico and other Latin American countries has grown. In both cases, most of the passengers will be Spanish speaking. Applicant indicates that members of this community are particular about the type of transportation they use, and their choice of transportation provider is usually based on common language and price. Applicant’s owners belong to the community and have a clear understanding of its culture and transportation needs.

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<sup>1</sup> Express shipments will be limited to packages and unaccompanied baggage weighing not more than 30 pounds per item.

<sup>2</sup> The counties to be served are Imperial, San Diego, Orange, Los Angeles, San Bernardino, Riverside, Kern, Tulare, Fresno, Monterey, Santa Clara, San Francisco, Alameda, and Sacramento.

<sup>3</sup> Long Beach Airport is included in the application, but Applicant failed to include it in the application caption.

The services will operate daily. Advance reservations will be required to guarantee service. Operations will be conducted initially with ten 14-passenger vans. Vehicles will be added to the fleet as needed to meet passenger demand. Applicant may also augment its fleet by contracting with licensed charter-party subcarriers. Attached to the application as Exhibit D is an unaudited balance sheet as of April 4, 2011, for Applicant's founding members which discloses assets of \$547,700, liabilities of \$255,920, and net worth of \$291,780. Applicant states that its owner-members will contribute any additional resources necessary to operate and ensure the viability of the service.

The proposed fares, as shown in Exhibit B of the application, range between \$10 and \$180 for the county-to-county service and between \$15 and \$160 for the door-to-door shuttle service.<sup>4</sup> Applicant requests authority to establish a ZORF of \$5 above and below the proposed fares of \$20 and under, \$10 above and below the proposed fares greater than \$20 and less than \$40, and \$20 above and below the proposed fares of \$40 and over. The minimum fare will be \$5. Applicant will compete with other PSCs, public transit, taxicabs, charter vehicles, and private automobiles in its service area. This 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.

Notice of filing of the application appeared in the Commission's Daily Calendar on May 17, 2011. Applicant requests a waiver from the provisions of Rule 3.3(b) of the Commission's Rules of Practice and Procedure which require

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<sup>4</sup> The door-to-door shuttle fares are for a single adult passenger. Additional passengers traveling together pay a substantially reduced fare.

service of a copy of the application on every public transit operator operating in any portion of the service territory and service of a notice of the application on all city and county officials within whose boundaries the passengers will be loaded or unloaded. Applicant served a notice of the application to five cities and 13 counties, and mailed a copy of the application to the involved airports and six regional public transit operators. Applicant believes the Commission's Daily Calendar provides adequate notice to parties that may have an interest in the application. We shall exercise the discretion accorded to us by Rule 1.2 and grant the waiver requested by Applicant because it will be providing on-call service, not scheduled service, and service on every city, county, and public transit operator in the service territory would be burdensome.

In Resolution ALJ 176-3274 dated May 26, 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 176-3274.

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, their baggage, and express (a) between points in the Counties of Imperial, San Diego, Orange, Los Angeles, San Bernardino, Riverside, Kern, Tulare, Fresno, Monterey, Santa Clara, San Francisco, Alameda, and Sacramento,

and (b) between points in the Counties of Los Angeles and San Diego, on the one hand, and LAX, ONT, LGB, and Los Angeles, Long Beach, and San Diego Harbors, on the other hand.

2. Applicant requests authority to establish a ZORF of \$5 above and below the proposed fares of \$20 and under, \$10 above and below the proposed fares greater than \$20 and less than \$40, and \$20 above and below the proposed fares of \$40 and over, as shown in Exhibit B of the application. The minimum fare will be \$5.

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

4. Applicant requests a waiver of the notice requirements of Rule 3.3(b) of the Rules of Practice and Procedure as it has served notice of the application to five cities and 13 counties, and mailed a copy of the application to the involved airports and six regional public transit operators.

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.

8. 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 to waive the notice requirements of Rule 3.3(b) should be granted.

3. The request for a ZORF should be granted.

4. 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.

5. 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 Golden Star Express, LLC (Applicant), a limited liability company, authorizing it to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers, their baggage, and express between the points and over the routes set forth in Appendix PSC-27733, 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 fares of \$20 and under, \$10 above and below the proposed fares greater than \$20 and less than \$40, and \$20 above and below the proposed fares of \$40 and over, as shown in Exhibit B of the application. The minimum fare will be \$5.

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-27733, granted herein, expires unless exercised within 120 days after the effective date of this decision.

9. The notice requirements of Rule 3.3(b) of the Commission's Rules of Practice and Procedure are waived as a notice or copy of the application has been served upon parties that may have an interest in this proceeding

10. The Application is granted as set forth above.

11. This proceeding is closed.

This decision is effective today.

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

MICHAEL R. PEEVEY  
President  
TIMOTHY ALAN SIMON  
MICHEL PETER FLORIO  
CATHERINE J.K. SANDOVAL  
MARK J. FERRON  
Commissioners

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC-27733

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

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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.

Golden Star Express, 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, their baggage, and express 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 in door-to-door service 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 Imperial, San Diego, Orange, Los Angeles, San Bernardino, Riverside, Kern, Tulare, Fresno, Monterey, Santa Clara, San Francisco, Alameda, and Sacramento.
  
- B. Los Angeles International Airport  
San Diego International Airport  
Long Beach Airport  
Long Beach Harbor  
Los Angeles Harbor  
San Diego Harbor

SECTION III. ROUTE DESCRIPTION.

County-to-County Service

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

Door-to-Door Service

Commencing from any point in Los Angeles or San Diego County, then over the most convenient streets and highways to any point described in Section IIB.