

Decision 12-01-023 January 12, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Ventura Transit System, Inc. for Passenger Stage Authority under Section 1031 et seq., of the California Public Utilities Code, to transport passengers and their baggage on an on-call, door-to-door basis, between points in the Counties of San Luis Obispo, Santa Barbara, Ventura and the Los Angeles International Airport, Burbank Airport (Bob Hope), Long Beach Airport, John Wayne Airport, Disneyland, Los Angeles and Long Beach Harbors, Santa Barbara Airport, San Luis Obispo Airport, Santa Maria Airport, San Jose International Airport, and San Francisco International Airport; and to establish a zone of rate freedom (ZORF) under Section 454.2 et seq., of the Public Utilities Code.

Application 11-10-019
(Filed October 13, 2011)

D E C I S I O N

Summary

This decision grants the application of Ventura Transit System, 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 requests authority to transport passengers and their baggage on an on-call, door-to-door basis. Applicant proposes to conduct two

services. One will operate between points in Ventura, San Luis Obispo, and Santa Barbara Counties, on the one hand, and Disneyland, Los Angeles and Long Beach Harbors, and Los Angeles International (LAX), Burbank (BUR), Long Beach (LGB), and John Wayne (SNA) Airports, on the other hand. The second service will transport passengers between points in San Luis Obispo County, on the one hand, and San Francisco International (SFO), San Jose International (SJC), San Luis Obispo (SBP), Santa Maria (SMX), and Santa Barbara (SBA) Airports, on the other hand.

Applicant indicates that Ventura, San Luis Obispo, and Santa Barbara Counties are largely rural. The proposed operation will serve both residents of the counties and visitors to the area. Applicant states that this part of the California coast has many attractions, among them beautiful beaches, whale-watching, vineyards, and Hearst Castle. According to Applicant, there is a need for its proposed shared-ride PSC service since passengers in this area often must transfer between different modes of transportation (taxicab and bus, for example) to complete their travel. Applicant wishes to offer a door-to-door, competitively priced service that will be more efficient and less tiring to passengers. In support of its request, Applicant refers to a February 2011 report of the U.S. Department of Transportation's Bureau of Transportation Statistics that states as many as 3.5 million rural residents lost access to scheduled intercity transportation between 2005 and 2010, dropping the percent of rural residents with access to intercity air, bus, ferry, or rail transportation to 89 percent.

Applicant will operate initially with a fleet of ten 7-passenger and 14-passenger vans. Additional equipment will be added as needed. Applicant may also utilize the services of charter-party subcarriers, as permitted by General Order 158-A. It will employ multilingual drivers who speak English and Spanish, Arabic, Farsi, or Chinese. Applicant already holds authority from the

Commission to operate as a charter-party carrier (TCP 23334-A). Attached to the application as Exhibit D is Applicant's unaudited balance sheet as of December 31, 2010, which discloses assets of \$624,648, liabilities of \$474,189, and stockholders' equity of \$150,459.

The proposed fares, as shown in Exhibit B of the application, range between \$14 and \$362.¹ 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 areas. 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 October 19, 2011. Applicant requests a waiver from the provisions of Rule 3.3(b) of the Commission's Rules of Practice and Procedure which require 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 11 cities and three counties, and mailed a copy of the application to the affected airports and three regional public transit operators. Applicant believes the Commission's Daily

¹ The fares are for a single adult passenger. Additional passengers traveling together pay a substantially reduced fare.

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 176-3283 dated October 20, 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 176-3283.

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

Michelle Cooke is the assigned Examiner in this proceeding.

Findings of Fact

1. Applicant requests authority to operate as an on-call PSC to transport passengers and their baggage (a) between points in Ventura, San Luis Obispo, and Santa Barbara Counties, on the one hand, and Disneyland, Los Angeles and Long Beach Harbors, and LAX, BUR, LGB, and SNA, on the other hand; and (b) between points in San Luis Obispo County, on the one hand, and SFO, SJC, SBP, SMX, and SBA, 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 11 cities and three counties, and mailed a copy of the application to the affected airports and three 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 Ventura Transit System, Inc. (Applicant), a corporation, authorizing it to operate as a passenger stage corporation (PSC), as defined in Pub. Util. Code § 226, to transport passengers and their baggage between the points and over the routes set forth in Appendix PSC-23334, 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. 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.

7. 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.

8. 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.

9. The CPCN to operate as PSC-23334, granted herein, expires unless exercised within 120 days after the effective date of this decision.

10. 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.

11. The Application is granted as set forth above.

12. This proceeding is closed.

This decision is effective today.

Dated January 12, 2012, 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-23334

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.

Ventura Transit System, 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 and their baggage 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 or IIC.
- 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. Points in the Counties of Ventura, San Luis Obispo, and Santa Barbara.

B. Los Angeles International Airport

Burbank Airport

Long Beach Airport

John Wayne Airport

Los Angeles and Long Beach Harbors

Disneyland (Anaheim)

C. San Francisco International Airport

San Jose International Airport

San Luis Obispo Airport

Santa Maria Airport

Santa Barbara Airport

SECTION III. ROUTE DESCRIPTIONS.

Route 1

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

Route 2

Commencing from any point in San Luis Obispo County, then over the most convenient streets and highways to any airport described in Section IIC.