

Decision 03-02-011 February 13, 2003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for approval of the transfer by sale of the passenger stage certificate no. 9709-P held by LT Ventures, Inc., dba Kids Kab (Seller) to LGM Group, Inc., dba Kids Kab (Buyer) pursuant to Public Utilities Code Section 851 et seq.

Application 02-10-013
(Filed October 10, 2002)

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 LT Ventures, Inc. (Transferor), a corporation, to LGM Group, Inc. (Transferee), a corporation.

Discussion

Transferor is authorized by Decision (D.) 95-09-049 to operate as a passenger stage corporation (PSC-9709) specializing in the transportation of children between home or school and activities such as gymnastics, dance, and football, and from one activity to another between certain cities in Santa Clara County.

This application requests approval to transfer the PSC certificate of Transferor to Transferee. The president of Transferor states she wants to devote more time to her family. Transferor and Transferee entered into a purchase agreement (Exhibit 1 of the application), wherein the Transferor agreed to sell its certificate to operate as a PSC, four vehicles, phone numbers, and various office equipment. Exhibit 2 of the application is the unaudited Balance Sheet as of

September 30, 2002, of Transferee that discloses assets of \$122,500, liabilities of \$4,986 and equity of \$117,514.

Decision (D.) 97-07-063 in Rulemaking 95-08-002 adopted rules applicable to carriers primarily engaged in the transportation of unaccompanied children¹ under the age of 18 years. These rules, contained in Appendix A of the decision, are applicable to the service provided by Transferor and Transferee, and are in addition to any other requirements applicable to all passenger stage carriers. Generally, only vehicles that seat not more than ten persons may be used in this type of service. Since two of the vehicles to be sold to Transferee have a seating capacity of 15 passengers, we will direct Transferee's attention to the rule titled "Vehicles," which contains a limited exception to the ten-passenger rule for "youth bus"² vehicles that accommodate no more than 16 passengers.

Notice of filing of the application appeared in the Commission's Daily Calendar on October 16, 2002. Applicant notified the affected cities and each public school district in the service area.

In Resolution ALJ 176-3098 dated October 24, 2002, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received.

¹ Unaccompanied children as used in D.97-07-063 includes transportation of an affiliated adult accompanying a child during, or incidental to, the transportation at issue.

² Vehicle Code § 680 defines "youth bus" as "any bus, other than a school bus, designed for and when actually carrying not more than 16 persons and the driver, used to transport children at or below the 12th grade level directly from a public or private school to an organized nonschool-related youth activity within 25 miles of the school or directly from a location which provides the organized nonschool-related youth activity to a public or private school within 25 miles of that location."

Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3098.

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 a PSC pursuant to D.95-09-049. Transferor requests approval to transfer its authority to Transferee.
2. The rules and regulations for the transportation of children as contained in Appendix A of D.97-07-063 are applicable to the service involved in this application.
3. The proposed transfer will not be adverse to the public interest.
4. No protest to the application has been filed.
5. A public hearing is not necessary.
6. 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. Transferee should be required to comply with the rules and regulations as contained in Appendix A of D.97-07-063, in addition to any other requirements applicable to all passenger stage carriers.
3. Since the matter is uncontested, the decision should be effective on the date it is signed.

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, LT Ventures, Inc. (Transferor), a corporation, may transfer the operative rights specified in this application, primarily to transport unaccompanied children under the age of 18 years and affiliated adults who are being transported in accordance with the rules and regulations contained in Appendix A of Decision 97-07-063, and their baggage, to LGM Group, Inc. (Transferee), a corporation, 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 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.

4. The CPCN granted to Transferor by Decision 95-09-049 is revoked on the date Transferee is notified that it may commence operations as provided in Ordering Paragraph 3.

5. 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.

6. The CPCN to operate as PSC-15560 (CHILD-15560), granted herein, shall expire unless exercised within 120 days after the effective date of this order.

7. The Application is granted as set forth above.

8. This proceeding is closed.

This order is effective today.

Dated February 13, 2003, at San Francisco, California.

MICHAEL R. PEEVEY

President

CARL W. WOOD

LORETTA M. LYNCH

GEOFFREY F. BROWN

SUSAN P. KENNEDY

Commissioners

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-15560

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
LT Ventures, Inc., a corporation, by D.95-09-049.

*Each vehicle shall contain this identifying symbol on its front and rear bumpers,
visible at a minimum of 100 feet in accordance with the rules contained in Appendix A
of Decision 97-07-063.

Issued under authority of Decision 03-02-011, dated February 13, 2003, of the
Public Utilities Commission of the State of California in Application 02-10-013.

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♦Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.

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

This certificate supersedes all passenger stage operative authorities granted to LT Ventures, Inc., a corporation.

LGM Group, 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 unaccompanied children who are under 18 years of age and their baggage, provided that children under four years of age shall be accompanied by a parent, guardian, parent or guardian approved by a family member, or an adult supervisor approved by the parent or guardian; and adults affiliated with children passengers may be transported when this is incidental to the transportation of a child. Adults may also be carried to directly pick up a child to be transported, or directly return from accompanying a child. The service shall be provided on an "on-call" door-to-door basis, between points and places as described in Section II over and along the route 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. No passengers shall be transported except those having a point of origin or destination as described in Section II.

*Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.

SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS (concluded).

- c. The term "on-call", as used, refers to service which is authorized to be rendered dependent on the demands of a passenger's parents, guardian or non-carrier affiliated adult supervisor designated by the parent or guardian arranging for a child passenger's transportation and for the transportation of an adult, if any, accompanying a child passenger. 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.
- 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.

♦Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.

SECTION II. SERVICE AREA.

All points and places within the geographical city limits of Saratoga and Cupertino and the contiguous cities or communities in the geographical area encompassing the United States Postal Zip Codes of 95014, 95070, and 95129.

SECTION III. ROUTE DESCRIPTION.

On-call, door-to-door service

Commencing from any point or place described in Section II, then over the most convenient streets, expressways, and highways to any other point described in Section II.

♦Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.