

Decision 06-01-010 January 12, 2006

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

Application of U.S. West Shuttle LLC for authority to operate as a scheduled passenger stage corporation between points in Los Angeles Airport and San Gabriel, California, and between points in Downtown Los Angeles, San Gabriel, El Monte, and Rowland Heights, California and to establish a Zone of Rate Freedom.

Application 05-06-022  
(Filed June 9, 2005)

**O P I N I O N**

**Summary**

This decision grants the application of U.S. West Shuttle 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 operate as a scheduled PSC to transport passengers and their baggage over two routes: (1) between Los Angeles International Airport (LAX) and San Gabriel, and (2) between Downtown Los Angeles, San Gabriel, El Monte, and Rowland Heights. Applicant will market its service primarily to the Chinese speaking community, which Applicant contends needs additional transportation services. Drivers will be bilingual, and signs and advertisements will be in English and Chinese. Service will be provided hourly

between 6 a.m. and 12:00 a.m. using three 21-passenger and two 25-passenger buses.

Applicant does not have experience specific to the transportation industry. Its two owners, however, have extensive business backgrounds. One, Rober I. Yu Chow, has 20 years' experience in the hotel and restaurant field. He previously owned and operated a chain of restaurants and currently owns and operates two hotels. The other, Dianben Liu, has many years of work experience as a Chinese/English translator, restaurant manager, construction drafter, and building contractor.

Exhibit E of the application shows that Applicant has start-up funding of approximately \$20,000 on deposit in a bank account. The business has not as yet accrued any liabilities. Applicant states that additional funds will be made available upon approval of its application and the commencement of services.

The proposed fares are \$30 for the LAX to San Gabriel service and \$3 for the local service between Downtown Los Angeles and Rowland Heights. Applicant requests authority to establish a ZORF of \$10 above and below the \$30 fare and \$2 above and below the \$3 fare. It will compete with other PSCs, taxicabs, charter sedans and limousines, public transit, and private automobiles in its service area. This highly 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 June 15, 2004. Applicant served notice of the application to the involved airport, county, and cities, and the public transit operator in the service area.

In Resolution ALJ 176-3154 dated June 16, 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 176-3154.

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. The application requests authority to operate as a scheduled PSC to transport passengers and their baggage (1) between LAX and San Gabriel, and (2) between Downtown Los Angeles, San Gabriel, El Monte, and Rowland Heights.
2. Public convenience and necessity requires the proposed service.
3. Applicant requests authority to establish a ZORF of \$10 above and below its proposed \$30 fare for the LAX to San Gabriel service and \$2 above and below its proposed \$3 fare for the Downtown Los Angeles to Rowland Heights service.
4. Applicant will compete with other PSCs, taxicabs, charter sedans and limousines, public transit, and private automobiles in its operations. The ZORF is fair and reasonable.
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 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.
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. A certificate of public convenience and necessity (CPCN) is granted to U.S. West Shuttle 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 and their baggage between the points and over the routes set forth in Appendix PSC-19140, 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 order is effective.
  - b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.

- c. File tariffs on or after the effective date of this order. They shall become effective ten days or more after the effective date of this order, 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 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 Section 1808.1 of the Vehicle Code.

3. Applicant is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$10 above and below the proposed \$30 fare for the Los Angeles International Airport to San Gabriel service and \$2 above and below the proposed \$3 fare for the Downtown Los Angeles to Rowland Heights service.

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 order.

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-19140, granted herein, expires unless exercised within 120 days after the effective date of this order.

10. The Application, as amended, is granted as set forth above.

11. This proceeding is closed.

This order is effective today.

Dated January 12, 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-19140

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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.

U.S. West Shuttle 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 a scheduled 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. Service will be operated only at the points described in Section II and over the routes described in Section III. A description of all the stop points and the arrival and departure times from such points shall be indicated in the timetable filed with the Commission.
- C. 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. Los Angeles International Airport
- B. Downtown Los Angeles
- C. San Gabriel
- D. El Monte
- E. Rowland Heights

SECTION III. ROUTE DESCRIPTION.

Route 1 Commencing from Los Angeles International Airport, then over the most convenient streets and highways to San Gabriel.

Route 2 Commencing from Downtown Los Angeles, then over the most convenient streets and highways to San Gabriel, El Monte, and Rowland Heights.