

Decision 08-11-014 November 6, 2008

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Mini-Bus Systems, Inc. (PSC-8016) for authority to establish revised rates and Zones of Rate Freedom for service between Los Angeles International Airport, Long Beach Airport, John Wayne Airport, Ontario Airport, Burbank Airport, Palm Springs Airport, San Bernardino Airport, Los Angeles Harbor, Long Beach Harbor, and Los Angeles Amtrak Station, and points in Los Angeles, Orange, San Bernardino, Riverside, San Diego, and Ventura Counties.

Application 08-06-015
(Filed June 11, 2008)

D E C I S I O N

Summary

This decision grants the application of Mini-Bus Systems, Inc. (Applicant), a corporation, to increase its passenger fares and to establish a new zone of rate freedom (ZORF), pursuant to Pub. Util. Code §§ 454 and 454.2.

Discussion

Applicant holds a passenger stage corporation (PSC) certificate under which it operates a door-to-door airport shuttle service. The service territory includes Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura Counties. Airports served are Burbank, John Wayne, Long Beach, San Bernardino, Palm Springs, Los Angeles International, and Ontario International. Other common carrier terminals served are Long Beach and Los Angeles Harbors, and the Los Angeles and Palm Springs Amtrak Stations.

Applicant received its operating authority in 1993 when it was authorized by Decision (D.) 93-09-004 to transfer the certificate of American Transportation Enterprise, Inc. The certificate was subsequently expanded as authorized by D.97-05-06 and D.02-05-040. Applicant is a wholly-owned subsidiary of SuperShuttle of Los Angeles, Inc., which in turn is owned by SuperShuttle International. Applicant conducts business under the SuperShuttle trade name.

The application requests approval to increase Applicant's current base passenger fares, which were established in 2002. Applicant states that increased gas prices and other costs of service require it to seek a fare increase in order to remain viable. The new base fares will increase revenues by roughly 5%.

Applicant notes that since the current base fares were established, the consumer price index for Southern California has increased by over 23%. The present and proposed fares are described in Exhibits B and C of the application, respectively.

D.02-05-040 authorized Applicant to establish a ZORF of \$12 above and below its base fares. The application requests authority to establish a new ZORF of \$20 above and below the proposed new base fares, with a minimum fare of \$10. Applicant indicates that the requested ZORF is similar in range to those granted to other PSCs.

Applicant believes both of its requests are reasonable. It reports that each of the airports at which it operates is served by a multitude of other carriers, even the relatively small Palm Springs Airport. Applicant contends that no carrier enjoys anything approaching market power at any of the Southern California airports. While the existence of competition can be taken as a given, Applicant states that little else about its cost structure or market conditions enjoys that level of certainty. The competitive conditions Applicant has experienced in the airport transportation market as well as soaring gas prices and unpredictable load factors require it to revise its rates and ZORF so that it can quickly respond to

changing market conditions and the cost of providing service. According to Applicant, approval of the requests will greatly assist in its provision of the high quality and extremely reliable service for which it enjoys a solid reputation.

Concurrent with the filing of the application, Applicant filed a motion, pursuant to Pub. Util. Code § 583 and General Order 66-C, for an order that Exhibit A to the application be sealed and not open to public inspection. The exhibit consists of a balance sheet and an income statement as of May 2008. The motion argues that “public disclosure of this private, confidential information would place Applicant at a competitive disadvantage in its operations.” The unopposed motion was referred to the Law and Motion Administrative Law Judge (ALJ) for disposition. ALJ Jean Vieth’s ruling dated August 7, 2008, granted Applicant’s motion.¹

The Commission’s Consumer Protection and Safety Division staff has reviewed the financial statements contained in Exhibit A. The statements show that Applicant’s operation is profitable. Staff does not object to the requested relief since the base fares have not changed since 2002, the proposed fare increase is modest, and as Applicant notes, the ZORF is generally consistent with ZORFs the Commission has granted to other PSCs in recent years.

Applicant will compete with other PSCs, taxicabs, charter limousines and sedans, public transit, and automobiles in its service area. This highly competitive environment should result in Applicant pricing its services at a

¹ The ruling provides that the confidential information will remain under seal for two years from the date of the ruling and shall not be made accessible or disclosed to anyone other than (a) Commissioners and Commission staff; (b) other parties to this proceeding who have executed a reasonable nondisclosure agreement with Applicant; or (c) upon further order or ruling of the Commission, the assigned Commissioner, the assigned ALJ, or the ALJ then-designated as Law and Motion Judge.

reasonable level. In view of this, and the fact that Applicant's base fares were established six years ago, the requests to increase fares and establish a new ZORF are reasonable and will be granted.

Notice of filing of the application appeared in the Commission's Daily Calendar on June 17, 2008.

In Resolution ALJ 176-3216 dated June 26, 2008, 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 176-3216.

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.

Findings of Fact

1. Applicant is authorized by D.93-09-004 and subsequent decisions to operate as an on-call, door-to-door PSC between points in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura Counties, and various Southern California airports and other common carrier terminals.
2. Applicant requests authority to increase its base fares approximately 5%, as described in Exhibit C of the application.
3. Applicant requests authority to establish a new ZORF of \$20 above and below any newly established base fare. The minimum fare will be \$10.
4. Applicant will compete with other PSCs, taxicabs, charter limousines and sedans, public transit, and private automobiles in its operations. The ZORF is fair and reasonable.
5. The proposed increases in fares are justified under Pub. Util. Code § 454.

6. Applicant's motion for an order that Exhibit A to the application be sealed and not open to public inspection was granted by ALJ Jean Veith's ruling dated August 7, 2008.

7. No protest to the application has been filed.

8. A public hearing is not necessary.

9. 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 increased fares are just and reasonable and should be granted.

2. The request to establish a new 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.

O R D E R

IT IS ORDERED that:

1. Mini-Bus Systems, Inc. (Applicant), a corporation, is authorized under Pub. Util. Code § 454 to establish the base fares described in Exhibit C of the application.

2. Applicant is authorized under Pub. Util. Code § 454.2 to establish a new zone of rate freedom (ZORF) of \$20 above and below any newly established base fare. The minimum fare will be \$10.

3. Amended tariff pages may be filed on or after the effective date of this decision. They may 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.

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 and the authority to increase fares 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. The confidential information subject to Administrative Law Judge (ALJ) Jean Veith's ruling dated August 7, 2008, shall remain under seal for a period of two years from the date of that ruling. During this period, the information shall not be made accessible or disclosed to anyone other than (a) Commissioners and Commission staff; (b) other parties to this proceeding who have executed a reasonable nondisclosure agreement with Applicant; or (c) upon the further order or ruling of the Commission, the assigned Commissioner, the assigned ALJ, or the ALJ then-designated as Law and Motion Judge.

8. The Application is granted as set forth above.

9. This proceeding is closed.

This decision is effective today.

Dated November 6, 2008, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY ALAN SIMON

Commissioners