

Decision 08-12-030 December 18, 2008

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

In the matter of the Application of Central Coast Shuttle Services, Inc. to Expand its Existing Passenger Stage License (PSC 13086) to include service to the San Luis Obispo Airport, the Santa Maria Airport and the Santa Barbara Airport on a door-to-door, on-call service basis; and to establish a Zone of Rate Freedom.

Application 08-08-015  
(Filed August 21, 2008)

**DECISION GRANTING CENTRAL COAST SHUTTLE SERVICES, INC. AN EXPANDED CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

**Summary**

This decision grants the application of Central Coast Shuttle Services, Inc. (Applicant), a corporation, pursuant to Pub. Util. Code § 1031 et seq., to expand its 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**

Applicant is authorized, pursuant to Decision (D.) 00-04-006, to operate as a PSC to transport passengers and their baggage on a schedule basis between Santa Maria, Buellton, and Los Angeles International Airport (LAX). D.01-03-053 authorized Applicant to conduct on-call service at Santa Barbara and Ventura in conjunction with the scheduled service.

The application requests authority to expand the PSC certificate by adding an on-call service between points in San Luis Obispo and Santa Barbara Counties, on the one hand, and San Luis Obispo County Regional Airport (SBP), Santa Maria Public Airport (SMX), and Santa Barbara Municipal Airport (SBA), on the other hand. Applicant believes there is a substantial need for this service. It reports receiving calls daily inquiring whether it provides transportation between these points. Applicant wishes to be able to meet this demand by expanding its PSC service to include shuttle service to and from the three airports.

Applicant will provide the new service using its existing fleet of eight vans and minibuses. The proposed fares, as described in Exhibit B of the application, range between \$15 (Orcutt - SMX) and \$50 (Santa Maria - SBA). Applicant requests authority to establish a ZORF of \$10 above and below the proposed fares. This is the same level of ZORF that Applicant already holds for its existing services (as authorized by D.00-04-006 and D.01-03-053). It will compete with taxicabs, charter limousines and sedans, and private automobiles in the expanded service territory. This competitive environment should result in Applicant pricing its services at a reasonable level.

Notice of filing of the application appeared in the Commission's Daily Calendar on August 27, 2008. Applicant served a copy of the application to the public transit operators in the service area and a notice of the application to the involved cities, counties, and airports.

### **Protest**

Silverado Coaches, Inc. (Silverado) filed a one-page protest to the application. Silverado states there is an ample supply of transportation providers in the area Applicant seeks to serve. In addition to itself, Silverado

lists various other providers by name or by service type (e.g., taxicab services, limousines services, and charter operators). Silverado claims that granting the application would affect its current service to and from the airports to the point that discontinuance of the service may be required. Silverado requests that a hearing be scheduled at which it will offer evidence of supply and extra capacity that is currently being offered and a market that is declining.

Applicant argues in its reply that there is a need for its proposed door-to-door service. It maintains that taxicab service is inadequate for the area's population, resulting in delayed service to the public. Applicant believes a new door-to-door service will provide the public with an alternative means for airport travel at an economical cost.

Silverado's PSC certificate includes authority to operate a scheduled service that commences in San Luis Obispo at SBP and stops at SMX, SBA, and other points (including Los Angeles International Airport) on the way to a final destination of Long Beach Harbor. It provides the service using full-size coaches. This is a distinctly different type of service from the on-call, door-to-door airport shuttle service that Applicant proposes to operate.

When Silverado applied for authority to operate between San Luis Obispo and Long Beach Harbor, three parties protested the application. The protestants argued that they already provided sufficient service, and there was no public demand for the service contemplated by Silverado. The decision<sup>1</sup> that granted Silverado's application included a discussion of our previously articulated views of how the public benefits from competition in the ground transportation

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<sup>1</sup> D.05-12-005 in Application 04-07-033.

market.<sup>2</sup> In Silverado's case, we noted that it proposed to offer a service that differed in some respects from those of the protestants, and that this differentiation in services would provide the public with different options and contribute to consumer choices.<sup>3</sup> We recognized that permitting a new entry into an established market would almost certainly result in the initial diversion of some passengers and corresponding loss of revenue to existing carriers.<sup>4</sup>

Based on the experience with its own application, Silverado is certainly aware of our views favoring competition in the ground transportation market. It benefited from them. Silverado has not raised any issues regarding Applicant's fitness or its ability to provide the proposed service. None of the other transportation providers Silverado refers to filed its own protest. We therefore will grant the application without an evidentiary hearing.

In Resolution ALJ 176-3220, dated September 4, 2008, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. We affirm that a public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3220.

### **Reduction of Comment Period**

Pursuant to Rule 14.6(b) of the Commission's Rules of Practice and Procedure, all parties stipulated to reduce the 30-day public review and

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<sup>2</sup> See, for example, American Buslines, Inc., 3 CPUC2d 246 (1980) and Re Passenger Stage Services in Orange County Airport Transportation Market, 6 CPUC3d 628 (2000).

<sup>3</sup> D.05-12-005, p. 9.

<sup>4</sup> *Id.*, p. 8.

comment period required by Section 311 of the Public Utilities Code. No comments were filed.

### **Assignment of Proceeding**

Michael R. Peevey is the assigned Commissioner and Michelle Cooke is the assigned Administrative Law Judge in this proceeding.

### **Findings of Fact**

1. Applicant is currently authorized to operate as a PSC to transport passengers and their baggage between Santa Maria, Buellton, Santa Barbara, Ventura, and LAX.
2. The application requests authority to transport passengers and their baggage on an on-call basis between points in San Luis Obispo and Santa Barbara Counties, on the one hand, and SBP, SMX, and SBA, on the other hand.
3. Public convenience and necessity requires the proposed service.
4. Applicant requests authority to establish a ZORF of \$10 above and below the proposed fares shown in Exhibit B of the application.
5. Applicant will compete with taxicabs, charter limousines and sedans, and private automobiles in its operations. The ZORF is fair and reasonable.
6. Silverado filed a protest to the application.
7. The protest does not raise any issue that would lead us to deny the application.
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.
2. The requested ZORF is justified.
3. A public hearing is not necessary.

4. The application should be granted.
5. 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.
6. The decision should be effective on the date it is signed.

**O R D E R**

**IT IS ORDERED** that:

1. The certificate of public convenience and necessity (CPCN) granted to Central Coast Shuttle Services, 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 is revised by replacing Original Page 1 with First Revised Page 1, and First Revised Pages 2 and 3 with Second Revised Pages 2 and 3, 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 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 \$10 above and below the proposed fares shown in Exhibit B of the application.

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 operating the expanded service 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 revised CPCN to operate as PSC-13086, granted herein, expires unless exercised within 120 days after the effective date of this order.

10. The application is granted as set forth above.

11. Application 08-08-015 is closed.

This order is effective today.

Dated December 18, 2008, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY ALAN SIMON  
Commissioners

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

Central Coast Shuttle Services, 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 as a passenger stage corporation on a scheduled and "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. Service on Route 1 shall not be provided between the on-call points of Santa Barbara and Ventura.
- D. Only passengers having a point of origin or destination at one of the airports described in Section IID shall be transported on Route 2.
- E. 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. City of Santa Maria  
City of Buellton  
City of Santa Barbara (including Santa Barbara Municipal Airport)  
City of Ventura
- B. Points in San Luis Obispo and Santa Barbara Counties
- C. Los Angeles International Airport
- D. San Luis Obispo County Regional Airport (SBP)  
Santa Maria Public Airport (SMX)  
Santa Barbara Municipal Airport (SBA)

SECTION III. \*ROUTE DESCRIPTIONS.

Route 1 (Scheduled Service)

Commencing from Santa Maria, then over the most convenient streets and highways to Buellton, Santa Barbara (including Santa Barbara Municipal Airport), and Ventura, then to Los Angeles International Airport.

Note: Santa Barbara and Ventura are “flag” stops, i.e., they are not scheduled stops, but are stops where passengers are picked up and dropped off on an on-call basis. The tariff and timetable shall describe the conditions for service at these points.

Route 2 (On-Call Service)

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