

**ORIGINAL**Decision 84 04 026

APR 4 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of A-1 AIRPORT LIMOUSINE, INC., )  
a California corporation, for )  
authority to establish passenger )  
stage operations between Los )  
Angeles International Airport )  
and the southwest area of Los )  
Angeles County. )

Application 83-12-49  
(Filed December 21, 1983)

O P I N I O N

Applicant A-1 Airport Limousine, Inc., a California corporation, seeks a certificate of public convenience and necessity to operate as a passenger stage corporation between points in the southwest area of Los Angeles County and the Los Angeles International Airport (LAX). Applicant also seeks authority to issue 20,000 shares of its capital stock.

Proposed fares for passengers originating from or destined for cities generally located in the southwestern portion of Los Angeles County are:

<u>City</u>	<u>Proposed Fare</u> (Per Adult)
Carson	\$19.00
El Segundo	13.00
Gardena	15.00
Hawthorne	15.00
Hermosa Beach	15.00
Lawndale	16.00
Lomita	17.00
Manhattan Beach	14.00
Palos Verdes Estates	17.00
Rancho Palos Verdes	18.00
Redondo Beach	15.00
Rolling Hills	17.00
Rolling Hills Estates	17.00
Torrance	
North of Torrance Blvd.	15.00
South of Torrance Blvd.	16.00

Applicant is a new corporation and proposes to start service using two late-model Cadillac Fleetwood Broughams which will be capable of carrying four passengers and the driver and the baggage of the passengers. The service will be over irregular routes on an on-call basis.

Applicant asserts public convenience and necessity require the proposed service for the following reasons:

". . . The area proposed to be served has no bus operation or other scheduled operation between the area and LAX. Applicant knows of only one other operator serving between the southwest part of Los Angeles County and LAX.

"The service under A-1 will be an economical and comfortable means of transportation to and from LAX. It will offer a totally different concept in limousine transportation from that which is available today.

"Applicant intends to use clean, late-model Cadillac Fleetwood Broughams to service a select area and clientele. The area which the applicant has chosen is mostly upper middle class residential area with a population in excess of 200,000 people, of whom a large percentage are businessmen and travel regularly. Applicant believes that this clientele will guarantee a consistent flow of business.

"The present limousine service costs between \$40 and \$60 an hour and caters only to a very wealthy clientele. Applicant proposes to charge less than \$20 one way and is a very viable alternative means of transportation to that which exists and the local taxicabs.

"The only other airport shuttle service available uses vans which hold up to eleven (11) people with rates ranging between \$20 and \$35 one way.

"Applicant will group no more than three paying passengers in any one car from the same general area. It is planned to tailor the limousine service to that which has been found to be an acceptable and very profitable business in Chicago.

"Applicant's research and the travel agents and businessmen consulted in the area which applicant proposes to serve all favor the kind of service which the applicant herein proposes."

Applicant's pro forma profit and loss statement for the first year of operation shows projected revenues of \$97,750 and expenses of \$93,985 yielding net profit after taxes of \$3,765. Its pro forma balance sheet shows \$20,000 of cash assets and \$20,000 of capital stock.

Applicant has an authorized capitalization of 50,000 shares of no par stock. All shares are of the same class and value. None of the shares have been issued, and the corporation has no assets.

Authority is requested to issue 20,000 shares of its capital stock at \$1 per share to one or both of the following: Ken Barnes and/or Norman Hartigan. The consideration for the stock will be cash to be used for organizational expenses, the acquisition of two Cadillacs to institute service, expenses in connection with this application, and for working capital.

Applicant was incorporated for the purpose of operating as a passenger stage corporation within the meaning of Public Utilities (PU) Code Section 216. To commence operation, the president will be Ken Barnes who has had four years of experience in operating a similar limousine service in Chicago. Barnes has been a driver and a fulltime dispatcher in the Chicago area and has had the responsibility to manage and dispatch a 40-car fleet. Hartigan, who will be vice president, chief financial

officer, and secretary, is experienced in cost and management accounting. He has worked for Becker Lift Company and Almarc Manufacturing, Inc. He has had the responsibility of a warehouse manager in charge of all shipping and receiving. According to the application, Barnes and Hartigan have personal assets to purchase the stock to be offered by this corporation and to loan additional capital, if necessary, to commence operation.

Notice of the filing of this application appeared in the Daily Transportation Calendar on December 30, 1983. There were no protests.

Findings of Fact

1. Applicant has the ability and experience, and will have the financial resources to acquire the equipment and to perform the proposed service upon consummating the stock issuance.

2. The initial fares and the on-call service proposed by applicant are reasonable.

3. The area proposed to be served has no bus operation or other scheduled operation between the area and LAX, although an on-call airport shuttle service using vans is presently available. Applicant's proposed service will use limousines.

4. Public convenience and necessity require the service proposed by applicant.

5. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

6. The proposed common stock issue is for lawful purposes. The money, property, or labor to be obtained from the issue is required for these purposes, which are not, in whole or part, chargeable to operating expenses or income.

7. A public hearing is not necessary.

Conclusions of Law

1. Public convenience and necessity have been demonstrated and the application should be granted.

2. Since the public will benefit from immediate institution of the proposed service, the following order, except as it pertains to the stock issue, should be effective today.

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.

The number of shares outstanding, the total par value of the shares, and the dividends paid do not determine allowable return on plant investment. This authorization is not a finding of the value of applicant's stock or property, nor does it indicate the amounts to be included in ratesetting proceedings.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to A-1 Airport Limousine, Inc., authorizing it to operate as a passenger stage corporation, as defined in PU Code Section 226, between the points and over the routes set forth in Appendix PSC-1332, to transport persons and baggage.

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. State in its tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; and make timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.

3. This certificate does not authorize the holder to conduct any operations on the property of or into any airport unless such operation is authorized by both this Commission and the airport authority involved.

4. Applicant is authorized to begin operations on the date that the Executive Director mails a notice to applicant that its tariffs and timetables have been accepted, that it has evidence of insurance on file with the Commission, and that the California Highway Patrol has approved the use of applicant's vehicles for service.

5. Applicant may issue 20,000 shares of no par value stock for \$20,000 in cash for the purposes set forth in the application.

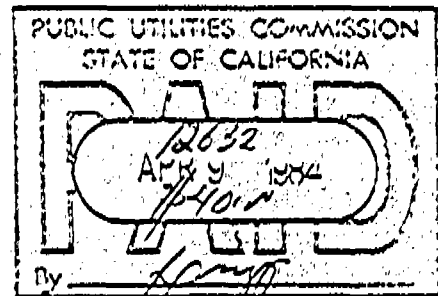
The authority granted by this order to issue stock will become effective when the issuer pays \$40, set by PU Code Section 1904.1. In all other respects this order is effective today.

Dated APR 4 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. GREW  
DONALD VIAL  
Commissioners

Commissioner William T. Bagley being necessarily absent, did not participate.



I CERTIFY THAT THE DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

*Joseph E. Bodovitz*  
Joseph E. Bodovitz, Executive Director

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC - 1332

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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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Issued by Decision 84 04 026, dated APR 4 1984 of  
the Public Utilities Commission of the State of California in  
Application 83-12-49.



/ALJ/ra

Appendix PSC-1332

A-1 AIRPORT LIMOUSINE, INC.

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SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,  
AND SPECIFICATIONS.

A-1 Airport Limousine, Inc. by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers, and their baggage between Los Angeles International Airport (LAX) and the incorporated cities named in Section 3 over and along the routes described, subject, however, to the authority of this Commission to change or modify the routes at any time and subject to the following provisions:

- (a) Motor vehicles may be turned at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (c) Carrier shall not pick-up or discharge passengers except at LAX or within the city limits of the cities named in Section 3.
- (d) The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which each authorized "on-call" service will be rendered.
- (e) The transportation of baggage or express shall be on passenger-carrying vehicles and shall be incidental to the transportation of passengers and limited to a weight of not more than 100 pounds per shipment.

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SECTION 2. ROUTE DESCRIPTION.

Beginning in one of the cities in Section 3 then by the appropriate streets or highways to LAX.

SECTION 3. CITIES TO BE SERVED

Carson  
El Segundo  
Gardena  
Hawthorne  
Hermosa Beach  
Lawndale  
Lomita

Manhattan Beach  
Palos Verdes Estates  
Rancho Palos Verdes  
Redondo Beach  
Rolling Hills  
Rolling Hills Estates  
Torrance

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