

Decision 87 10 084

OCT 28 1987

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
American Transportation Enterprises)
(AMTRANS), Inc., dba YELLOW AIRPORT)
SHUTTLE, for authority to operate as)
a passenger stage corporation between)
points in the County of Los Angeles)
and the Los Angeles International)
Airport, the Burbank Airport, Ontario)
Airport, and the John Wayne)
Airport.)

Application 87-05-045
(Filed May 26, 1987)

Siroos Moatazedi, for applicant.
K. D. Walpert, for City of Los Angeles
Department of Transportation,
protestant.
Vahak Petrossian, for the Commission staff.

O P I N I O N

Applicant American Transportation Enterprises, Inc. (AMTRANS), dba Yellow Airport Shuttle, requests authority, under Public Utilities (PU) Code Section 1031, to establish and operate a passenger stage bus service for the transportation of passengers and baggage, between points in southeast Los Angeles County, on the one hand, and the Los Angeles International (LAX), Burbank-Glendale-Pasadena (BUR), and Ontario (ONT) airports, on the other hand, over the streets and highways of Los Angeles County, without a fixed route.

Notice of filing of the application appeared in the Commission's Daily Transportation Calendar on June 2, 1987. In addition, notice of the filing was served by AMTRANS upon all governmental agencies within whose boundaries passengers will be loaded and unloaded. Protest to the application was filed by the City of Los Angeles Department of Transportation (City). There were no protests from competing carriers.

AMTRANS' proposes a door-to-door service on a seven days per week basis. Only passengers originating at or destined to the above-named airports will be carried. The proposed service area includes the cities of Artesia, Bell Gardens, Bellflower, Cudahy, Commerce, Cerritos, and Downey, and parts of the unincorporated area of the cities of Florence, Huntington Park, Lynwood, Lakewood, Maywood, Norwalk, Paramount, Pico Rivera, Santa Fe Springs, Southgate, and Whittier. Proposed service to John Wayne Airport was deleted from the application during the proceedings because of AMTRANS' failure to give adequate notice regarding that airport.

The equipment to be used in the proposed service includes 15 12-passenger air-conditioned vans. Fares within the proposed service area range from a minimum of \$10 to a maximum of \$30 to LAX, and from \$25 to \$35 to BUR, depending on the point of origination or destination. The proposed fare to ONT is \$35 from any point within the proposed service area.

Following notice, a public hearing was held in Los Angeles on July 27, 1987 before Administrative Law Judge William A. Turkish, and the matter was submitted upon the receipt of late-filed Exhibit 2 on August 3, 1987.

Testimony on behalf of AMTRANS was presented by Siroos Moatazedi, general manager of AMTRANS. City presented three witnesses to testify on its behalf.

The testimony of Siroos Moatazedi was essentially as follows:

1. AMTRANS currently operates AM/PM Yellow Cab (AM/PM), a taxicab company, in the cities of Commerce, Bell Gardens, Southgate, Downey, Paramount, Bellflower, Norwalk, Cerritos, and Lakewood. The purpose of this application is to enable AMTRANS to transport those persons who either do not require and/or do not wish to pay for the cost of taxicab service, but who still require a dependable and good quality transportation service to and from the aforesaid airports.

2. The four principal shareholders of the corporation have 42 years of collective experience in the taxicab business. AMTRANS also holds charter-party carrier authority from this Commission (TCP 3955-P).
3. After performing studies in the proposed service area for 1-1/2 years and determining that transportation to the various airports is not adequately provided, AMTRANS believes its proposed service will fulfill a present need to members of the community. The Embassy Suites Hotel in Downey is in full support of AMTRANS' application.
4. AMTRANS intends to have a minimum 2-hour advance reservation required for its on-call service. AMTRANS intends to obtain authority to sell tickets from ticket booths at LAX, where advance notice will not be required. AMTRANS has determined that approximately 65% of its passengers will be traveling to LAX, 15% to BUR, and 5% to ONT. Its vans will be radio-dispatched.
5. Although the company had a net loss of \$3,417 for the third quarter of 1986, it has a profit for the full fiscal year.

The relevant testimony of Brian Zemlicka, senior sales manager for SuperShuttle Airport Service (SuperShuttle), called as a witness by the City, was essentially as follows:

1. SuperShuttle has over 200 vans operating in the Los Angeles Basin. SuperShuttle dispatches approximately 150 vans per day to service the area AMTRANS proposes to serve.
2. The fares charged by SuperShuttle are comparable to AMTRANS with the exception that SuperShuttle charges \$6 per additional party while AMTRANS proposes to charge \$8 per additional party.

3. On July 22, 1987, while in the City of Long Beach, he called AM/PM for a taxi to take him to LAX. Eventually a solid yellow unmarked vehicle with no top lights or logo on the side arrived and took him to LAX. He had called AM/PM to see if it served that part of Long Beach. The taxi, which is operated by AMTRANS, is not authorized to serve any part of the City of Long Beach. When he questioned the driver, who was a supervisor, he was told that AM/PM could not serve areas south of the 91 (Artesia) freeway; yet the area pickup was south of the 91 freeway.

The testimony of Earl Jones, a public utilities inspector with City, was essentially as follows:

1. He has been assigned to LAX for the past three years and has observed traffic flow at LAX and, in his opinion, there is not enough loading space for buses and vans. He has viewed buses and vans double and triple parked as well as diagonally parked, causing passengers to enter the roadway for boarding or off-loading.
2. Random observation studies made in 1985, 1986, and 1987 indicate that the average time span between passenger stage vans leaving LAX has decreased over the years from as high as 6.8 minutes between vans in 1985 to 1.3 minutes between vans in 1987.

Ronald Simsadaugh, a public utilities inspector with City, testified as follows:

1. In 1986, City public utilities inspectors have arrested three drivers of AM/PM for ordinance violations. In 1987, City public utilities inspectors arrested four AM/PM drivers for violations of City ordinances. The ordinances referred to prohibit the operation of taxicabs within the City of Los Angeles, without a permit.
2. In his opinion, AM/PM management has not exercised proper control over its dispatchers or drivers as evidenced by the

arrest records of the AM/PM
drivers.

Discussion

AMTRANS has demonstrated sufficient experience in the transportation field to satisfactorily conduct the contemplated service. AMTRANS further appears to have the financial ability to carry out the proposed operations. Although City has protested this application, we note that no protests have been filed by either the major on-call airport transportation company now serving the area within which AMTRANS hopes to serve or by any other passenger stage company.

AMTRANS' proposed service is from a service area outside of the City of Los Angeles. Although the application was protested by City, the only apparent impact on City is the fact that in going to the various airports, AMTRANS will be driving its vehicles on some streets of City. We are aware that City routinely protests every application for a certificate of public convenience and necessity filed by any transportation company who wishes to transport passengers to LAX. It is further noted that the congestion and number of transportation vehicles operating on the property of LAX is not the responsibility of City's Department of Transportation. That responsibility lies solely with the Department of Airports, City of Los Angeles, which grants permits to taxicabs, buses, private for-hire vehicles, shuttle services, etc. That department has not filed any protest to this application. It appears that City, which does supervise taxicab operations, is primarily concerned with the competition that the proposed service may offer to City's franchised taxicab companies at LAX which could possibly have an impact on the revenues derived by City.

City has raised the issue of applicant's fitness in connection with the arrest of AM/PM cab drivers in 1986 and 1987 for operating within the City of Los Angeles without a permit.

While City attributes the illegal conduct of AM/PM cab drivers to a lack of exercise of control by applicant, no evidence was presented which would substantiate such lack of control or the unfitness of applicant. The taxicab business is a highly competitive field and as most cab drivers are compensated through commissions, there is strong temptation for drivers to operate in areas where fares are likely to be high, such as at LAX. In the absence of any showing that applicant actually condoned or directed the operation of its taxicabs within the City of Los Angeles in violation of City's permit ordinance, we will not make any finding of unfitness of applicant and, therefore, will deny City's protest.

Findings of Fact

1. AMTRANS has the ability, equipment, and financial resources to perform the proposed service.
2. Public convenience and necessity require the proposed service.
3. No protest to the application has been received from any public transit operator serving the territory AMTRANS proposes to serve.
4. City has failed to show applicant to be unfit for a certificate of public convenience and necessity.
5. The rates proposed in the application are deemed reasonable.
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.

Conclusion of Law

Public convenience and necessity have been demonstrated and a certificate should be granted to AMTRANS.

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 is granted to American Transportation Enterprises, Inc., a corporation, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between the points and over the routes set forth in Appendix PSC-1451 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.
- f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code § 403 when notified by mail to do so.

3. Prior to initiating service to any airport, applicant shall notify the airport authority involved. 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 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. The application is granted as set forth above.

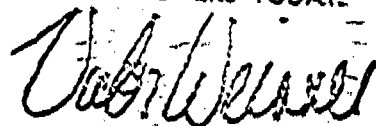
This order is effective today.

Dated OCT 28 1987, at San Francisco, California.

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
C. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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



Victor Weisser, Executive Director

AS

T/JJ/jd

Appendix PSC-1451

American Transportation
Enterprises, Inc.

Original Title Page

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-1451

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.

Issued under authority of Decision 87 10 094, dated
OCT 28 1987 of the Public Utilities Commission of the
State of California in Application 87-05-045.

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Decision 87 10 084, Application 87-05-045.

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

American Transportation Enterprises, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers and baggage on a door-to-door on call basis between points in southeast Los Angeles County, described in Section 2 and the following designated airports: Los Angeles International (LAX), Burbank-Glendale-Pasadena (BUR), or Ontario (ONT), over and along the route described, subject, however, to the authority of this Commission to change or modify the route 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 operations in either direction unless otherwise indicated.
- (c) 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 the authorized door-to-door on call service will be provided.
- (d) No passengers shall be transported except those having a point of origin or destination at LAX, BUR or ONT.
- (e) This certificate does not authorize the holder to conduct any operation on the property of or into any airport unless such operation is authorized by both this commission and the airport authority involved.

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SECTION 2. SERVICE AREA DESCRIPTION.

Includes all points within the geographical limits of the following cities and postal zip codes:

<u>CITY</u>	<u>ZIP CODE</u>
Artesia	90701
Bell	90201
Bell Gardens	90201
Bellflower	90706
Cudahay	90201
Commerce	90040
Cerritos	90701
Downey	90240, 90241, 90242
Florence (unincorporated)	90001 (partial), 90002 (partial) (includes LA County unincorporated areas east of Central Ave.)
Huntington Park	90255
Lynwood	90262
Lakewood	90712, 90713, 90715
Maywood	90270
Norwalk	90650
Paramount	90723
Pico Rivera	90660
Santa Fe Springs	90670
South Gate	90280
Whittier	90601, 90602, 90603 90604, 90605, 90606 (includes LA County unincorporated areas)

SECTION 3. ROUTE DESCRIPTION

Commencing at any point within the authorized service area described in Section 2, then via the most convenient streets and highways to LAX, BUR, or ONT.

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