

MAY 12 1988

Decision 88 05 035 MAY 11 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Riad O. Dandan, Olympic Limo Van)
Service, for a certificate of public)
convenience and necessity to provide)
passenger stage service between)
points in Orange County, on the one)
hand, and Los Angeles International)
Airport, Long Beach Airport, and)
John Wayne Airport, on the other)
hand.)

Application 87-08-041
(Filed August 24, 1987;
amended October 29, 1987)

Riad O. Dandan, for himself, applicant.
Jerilyn Cohen, Attorney at Law, for
SuperShuttle of Los Angeles, and K. D. Walpert, for S. E. Rowe, Department of
Transportation, City of Los Angeles,
protestants.
Vijay Kahawani, for the Transportation Division.

OPINION

Riad O. Dandan (applicant), doing business as Olympic Van Limo Service, operates as a charter-party carrier out of Fountain Valley (Orange County), California. Applicant has applied for authority to provide a 24-hour, on-call, door-to-door passenger service, to be available seven days a week, holidays included, from points in Orange County to the Los Angeles International Airport, the Long Beach Airport, and the John Wayne (Orange County) Airport. Applicant will operate two- to seven-passenger vans in providing the service and will charge one-way fares ranging from \$10 to \$42, which are described as less than the prevailing limousine and taxi fares for the same service.

Protests were filed by FunBus Systems, Inc. (FunBus), SuperShuttle of Los Angeles, and by the City of Los Angeles, through its Department of Transportation. A public hearing was

scheduled and held in Los Angeles, on January 4, 1988, before Administrative Law Judge Edward G. Fraser. FunBus wrote to advise the Commission they would not be represented at the hearing, but did not wish to withdraw their protest.

Applicant testified as follows: He has been involved in transporting charter parties since May 1986, when he obtained authority from the Commission to operate vehicles less than 25 feet long, with a capacity of less than 15 passengers. Applicant will transport passengers from the 32 points listed in Exhibit 2 to the three airports described. The Los Angeles and Long Beach Airports may be served on a single route. Applicant has requested a rather extensive authority to accommodate most people calling for his service. His experience indicates that local people will usually be going to one of the three airports he has requested authority to serve. His wife, and occasionally his 17-year old son will act as supplementary drivers. When business warrants, he will hire additional drivers and pay them a standard wage or a percentage of what the vehicle earns. Applicant estimates that the business will average two calls per day when he starts the operation. The vehicles will leave for the designated airport with no more than four passengers, unless more than four are picked up at the same time, for the same destination. Other carriers do not leave until the van is full. Applicant will leave with two passengers, if necessary, to avoid delay. Applicant also noted that it is unlikely he will have sufficient business when he starts to require more than the two vans he has available for the service. He estimated that 30% of the business would be to the Orange County Airport and another 30% to or from Disneyland. The fares were adopted after discussions with other passenger carriers who already operate over the routes the proposed fares will cover. The business is now located in applicant's home, but an office will be rented with a parking lot, if the authority requested is granted.

Applicant's balance sheet was not adequately explained. He allowed \$50,000 for a home in Beirut, \$30,000 for furniture, and \$11,000 for personal belongings. His two vans were valued at a total of \$30,000 and two other cars at \$11,000. His auto loans total \$45,000. He testified that his five brothers have all promised to provide financial aid if he needs it, and the home in Beirut can be sold if extra cash is needed to start the business.

A SuperShuttle employee testified he has six years driving experience serving airports in the vicinity of Los Angeles. All are adequately served, with 10 operators in Orange County. Some drivers park in a central area and use a radio scanner to intercept dispatches directing others to pickup passengers at a specific point. The listener drives to the point of pickup before the designated driver and grabs the passengers. This type of activity is prevalent where there are too many licensed operators.

A taxi owner testified for the City of Los Angeles. She has been driving cabs for 11 years and vans have become so numerous at the Los Angeles Airport they occupy all curbside space during the day and double and triple park while soliciting passengers. The witness placed photographs (Exhibit 4) in evidence showing vans circling the airport to find parking and occupying all space at parking zones, with additional vans parked in the first and second traffic lanes, either parallel or diagonal, depending on room available. Several of the parked vans had the driver's door open. The witness testified that drivers leave the vans and enter the terminals to solicit passengers and baggage. Taxis are required to wait in a designated area until those parked ahead in the line have obtained passengers. Drivers cannot solicit and are not allowed to leave the cabs. They are supposed to have priority on transporting on-call passengers. Van drivers charge the same fares as cabs and solicit all passengers. The Los Angeles Airport has more vans than available parking space now, in addition to sufficient cabs to handle all passengers.

The witness stated that van drivers should be cited if they leave their vehicles, but the airport police have advised they do not have the personnel to enforce the law. Regulatory legislation has been stalled in city hall and group meetings with van owners, city officials, and PUC representatives have not solved the problem.

Protestants' closing statements emphasized that applicant presented no public testimony or surveys to show the need for the proposed service. Applicant was not able to provide an estimate of operating expense and his proposed fares are based on what others charge for similar service. It is evident that he cannot adequately serve three large airports within a 20-mile radius with two vans. Protestants noted that applicant admitted he was not familiar with the California Vehicle Code or with Commission General Order 98-A as required by Commission regulations. Applicant's communication system is the telephone in his home. His vans are not radio equipped and drivers call applicant's home for instructions. If applicant and his wife are driving, there is no one at home (the son is at school) to answer the telephone. Applicant's son is 17 years of age; he is, therefore, not qualified to drive a vehicle transporting passengers for hire. Applicant reiterated that he is a small operator who will do everything necessary to comply with the law.

Discussion

Applicant presented neither public testimony nor a survey to show a public need for the proposed service. Applicant also does not as yet have authority from the airports to pick up passengers. The airports were to be contacted after he received authority from this Commission. He did not account for \$43,000 worth of personal property listed on his financial statement, and his testimony indicates that he does not realize the difference between a charter-party carrier and a certificated passenger stage corporation.

A grant of CPCN authority may be issued only upon showing a need. That showing has not been made here.

Findings of Fact

1. Applicant has applied for authority to provide a 24-hour, on-call, seven days a week passenger service from 32 points in Orange County to the Los Angeles International, Long Beach, and John Wayne (Orange County) Airports.

2. Service would be provided with two seven-passenger vans. Applicant and his wife are the assigned drivers.

3. Applicant presently holds authority as a charter-party carrier, authorizing operation of vehicles less than 25 feet long, with a capacity of fewer than 15 passengers.

4. The application was protested by FunBus Systems, Inc., SuperShuttle of Los Angeles, and the City of Los Angeles through its Department of Transportation.

5. No public testimony was provided, and there were no transportation surveys to show a need for the proposed service.

6. Applicant's financial statement and estimate of anticipated income and expense are deficient.

Conclusions of Law

1. Applicant has not met his burden of proving public convenience and necessity and his financial ability to conduct the service.

2. Public convenience and necessity do not require the proposed service.

3. The application should be denied.



ORDER

IT IS ORDERED that Application 87-08-041 is denied.
This order becomes effective 30 days from today.
Dated May 11, 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

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


Victor W. Wiser, Executive Director

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6. Los Angeles International Airport frequently has two more lanes in designated loading areas occupied by vans waiting for passengers producing much congestion.

7. Large scheduled buses serve all areas out of the Los Angeles International Airport, in addition to numerous vans.

8. Evidence presented by the protestants indicates that all three airports are adequately served now.

9. Applicant's financial statement and estimate of anticipated income and expense are deficient.

10. Public convenience and necessity do not require the proposed service.

It is concluded that the application should be denied.

ORDER

IT IS ORDERED that Application 87-08-041 is denied.

This order becomes effective 30 days from today.

Dated MAY 11 1988, at San Francisco, California.

STANLEY W. HULETT
President

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