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Decision SS 07 028 JUL 8 1988

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Mahmud Aram and Entezamoldin)
 Nazemzadeh, dba Los Angeles Top)
 Shuttle, for authority to operate as)
 a Passenger Stage between certain)
 portions of Los Angeles County and)
 Orange County on one hand, and Los)
 Angeles International (LAX) airport)
 and Burbank (BUR) airport on the)
 other hand.)

Application 87-12-033
 (Filed December 16, 1987
 Amended February 25, 1988)

Entezamoldin Nazemzadeh, for applicants.
K. D. Walpert, for the Department of
 Transportation, City of Los Angeles,
 protestant.
V. J. Khawani, for the Transportation
 Division.

O P I N I O N

Mahmud Aram and Entezamoldin Nazemzadeh, (applicant), doing business as Los Angeles Top Shuttle, seeks authority under § 1031, et seq. of the California Public Utilities (PU) Code, to operate a passenger stage service between certain points in Los Angeles County and Orange County, on the one hand, and the Los Angeles International (LAX) and Burbank/Pasadena/Glendale (BUR), and Long Beach (LGB) airports on the other hand. Applicant proposes to perform a regularly scheduled and on-call, door-to-door service on a 7-day, 24-hour basis.

Notice of filing of the application appeared in the Commission's Daily Calendar on December 21, 1987. In addition, notice was furnished to all county and city governmental entities and regional transportation agencies within whose boundaries

passengers will be loaded and unloaded under the proposed application. A full copy of the application was forwarded to transit districts and each of the three airports proposed to be served. A protest to the application was filed by the City of Los Angeles Department of Transportation (City) on January 6, 1988.

Following notice, a public hearing was held in Los Angeles on April 4, 1988 before Administrative Law Judge William A. Turkish, and the matter was submitted upon the filing of the transcript on April 13, 1988.

Entezamoldin Nazemzadeh testified on behalf of applicant. Two witnesses testified on behalf of City.

Mr. Nazemzadeh testified that he has approximately four years experience as a taxi cab driver in the Los Angeles area. Since December 10, 1987, he has been serving as financial manager for the Los Angeles Checker Cab Company. In his opinion, the public needs more dependable and reasonable transportation services than those currently available. He testified that people find taxi cabs too expensive to use. He further testified that none of the cab companies are willing to serve the south central Los Angeles area and, as a result, members of the public in that area are without service to the airport. He would like to serve that area. It is his intention to help the transportation industry improve and grow in a better way. He stated that he had a plan that he definitely thought would work but he did not elaborate or disclose what the plan was.

When cross-examined by City, he testified that he would require at least one hour advance notice for transportation service and would pick up a maximum of three parties on any single trip. He plans to operate within a service area embracing approximately 28 cities and communities in Los Angeles and Orange Counties. He also plans to have a scheduled on-call service between the downtown Los Angeles area and LAX. Fares will range from \$6 to \$20 depending on the distance to and from the airports.

Applicant testified that he had total assets of \$404,500 and total liabilities of \$20,000. His projected annual income statement, based on ten vans, reflects a net income, before taxes, of \$229,641 for the twelve-month period. He estimated that it would cost approximately 6¢ per mile for repairs and maintenance of the vans. With respect to the Disneyland/Anaheim service area, he testified that he will only transport passengers to the Anaheim area from LAX but will not pick up in Anaheim for travel to LAX.

Upon cross-examination by staff, he testified that he had conducted a telephone survey which indicated a need for the contemplated service. He stated that over a six-week period he made 385 telephone calls and of those, 305 people responded. The remainder of the calls either resulted in getting a busy signal, no answer, or children answering the telephone.

According to the testimony, six questions were asked of each person. The questions were general in nature, such as: "How often do you travel?"; "Which method of transportation do you use?"; "Reason for using this method?"; "If you find reliable service would you be interested to use it?"; "How important is the cost?"; and "How easy is it to get a cab or shuttle service in your area?" With each question, respondents were given at least two or three answers from which to select.

He testified that he conducted a second personal survey at the Los Angeles International Airport over a two-week period. He stated that he approached and questioned 200 people waiting at bus and shuttle bus stops and that all 200 people took the time and responded to all his questions. He stated that he asked them the following 4 questions: "How long have you been waiting?"; "Are you willing to take a cab if bus don't (sic) show up?"; "Are you happy with what you are getting as a service"; and "What is the solution?"

Kristen A. Dickey, an employee of independent cab company called as a witness by City testified that she has owned and operated a taxi cab for the last 10 or 11 years. She testified that she has observed the operations of the various public transportation service at LAX and those observations led her to the conclusion that there are more than enough shuttle vans at the airport to meet all transportation needs. She was concerned that they were taking a lot of business away from taxi cabs. She believes there are sufficient taxi cabs at LAX to provide or meet all demands for transportation services.

Steven D. Cannistraci, an employee of the City of Los Angeles Department of Transportation called as a witness by City testified that he is employed as a Senior Heavy Duty Equipment Mechanic and has been in this position for approximately 6 or 7 months. Prior to that he was a heavy Duty Equipment Mechanic with the Los Angeles Fire Department for 2 years. He testified that he made a study to determine the cost of maintaining or repairing a van used in public transportation service. As a result of the study, he determined that the standard is approximately 27¢ per mile for total maintenance costs.

On cross-examination he indicated that maintenance costs for new vehicles such as those applicant proposes to use, would be somewhat lower initially than 27¢ per mile, up to about 40,000 miles; thereafter these costs would increase to about 30¢ per mile.

Comments

Pursuant to the Commission's Rules of Practice and Procedure, the proposed decision of the assigned administrative law judge was filed and distributed to the parties on May 31, 1988. Comments were filed by applicant and staff. City also filed a reply to these comments. Our review of the comments persuade us that the proposed decision should be reversed.

Discussion

Applicant conducted a telephone survey which indicated a need for the proposed service. Applicant also conducted a second personal survey at Los Angeles International Airport over a two-week period. The results of the second survey also indicate a need for additional service.

Applicant has demonstrated sufficient experience in the transportation field to satisfactorily conduct the proposed service. Applicant further appears to have the financial ability to carry out the proposed operations. The balance sheet as of November 20, 1987 shows assets of \$404,500 with total equity of \$384,500.

Although the application was protested by City, no protests were filed by any passenger stage corporation. 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. The operations of passenger transportation vehicles on the property of LAX is not the responsibility of City's Department of Transportation. That responsibility lies solely with the Los Angeles Department of Airports (LADOA), which grants permits to passenger stage carriers operating at LAX. LADOA has not filed a protest to this application.

Finding of Fact

1. Applicant has the equipment, experience, and financial ability to perform the proposed service.
2. There is a need for the type of passenger stage service proposed by the applicant.
3. City failed to show that the granting of this application would not be in the public interest.

4. No protest to the application has been received from any public transit operator serving the territory applicant proposes to serve.

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 applicant.

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.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Mahmud Aram and Entezamoldin Nazemzadeh authorizing them 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-4948 to transport persons and baggage.

2. Applicants 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 their tariffs and timetables when service will start, allow at least 10 days' notice to the Commission; and make tariffs and timetables 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 Section 403 when notified by mail to do so.

3. Prior to initiating service to any airport, applicants 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. Applicants are authorized to begin operations on the date that the Executive Director mails a notice to applicant that they have evidence of insurance on file with the Commission and that the California Highway Patrol has approved the use of applicants' vehicles for service.

5. The application is granted as set forth above.

This order is effective today.

Dated JUL 8 1988 at San Francisco, California

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

Commissioner Frederick R. Duda,
being necessarily absent, did not
participate.

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

Victor Weissor
Victor Weissor, Executive Director

AP

T/VJ/vj

Appendix PSC-4948

Mahmod Aram and
Entezamoldin Nazemzadeh

Original Title Page

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-4948

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 88 07 028, dated
JUL 8 1988 of the Public Utilities Commission of the
State of California in Application 87-12-033.

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

Mahmod Aram and Entezamoldin Nazemzadeh, by the certificate of public convenience and necessity granted by the decision noted in the margin, are authorized to transport passengers and baggage on an on-call basis, between points in Los Angeles and Orange Counties, described in Section 2, and Los Angeles International Airport (LAX), Burbank/Glendale/Pasadena Airport (BUR) or Long Beach Municipal Airport (LGB), 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 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, 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.
- (d) The tariffs and timetables shall specify the exact locations of the scheduled stops for Route 1.
- (e) No passengers shall be transported except those having a point of origin or destination at LAX, BUR, or LGB.
- (f) 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.

Issued by California Public Utilities Commission.

Decision 88 07 028, Application 87-12-033.

SECTION 2. SERVICE AREA DESCRIPTIONS

Los Angeles Service Area

Beginning at the Pacific Ocean and the San Gabriel River, then north along the San Gabriel River to its intersection with the San Gabriel River Freeway (I-605), then north along I-605 to the Artesia Freeway (SR 91), then west along SR 91 to the Long Beach Freeway (I-710), then north along I-710 and the western boundary of the City of Alhambra to the southern boundary of the City of South Pasadena, then along the city limits of South Pasadena, Pasadena, Glendale and Burbank (including South Pasadena, Pasadena, Glendale, Montrose, La Crescenta and Burbank) to the intersection of the western city limit of Burbank with the Ventura Freeway (SR 134), then west along the Ventura Freeway (SR 134 & US 101) to the San Diego Freeway (I-405), then south along I-405 to a point one mile north of Sunset Boulevard, then along an imaginary line parallel to and one mile north of Sunset Boulevard to the Pacific Ocean.

The Los Angeles Service Area generally includes the following cities and communities:

Bel Air Estates	Hawthorne	Rancho Palos Verdes
Bell	Hermosa Beach	Rancho Park
Beverly Hills	Highland Park	Redondo Beach
Boyle Heights	Hollywood	Rolling Hills
Brentwood	Huntington Park	Rolling Hills Estates
Burbank	Inglewood	San Pedro
Carson	La Crescenta	Santa Monica
Compton	Lawndale	Sherman Oaks
Cudahy	Lennox	Signal Hill
Culver City	Lomita	South Pasadena
Downtown Los Angeles	Long Beach	Studio City
Eagle Rock	Lynwood	Torrance
East Los Angeles	Manhattan Beach	Universal City
El Segundo	Marina del Rey	Venice
Florence	Maywood	Vernon
Fox Hills	Monterey Hills	Watts
Gardena	Montrose	West Hollywood
Glassell Park	Pacific Palisades	West Los Angeles
Glendale	Palos Verdes Estates	Westchester
Hancock Park	Pasadena	Westwood
Harbor City	Playa del Rey	Wilmington

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SECTION 2. SERVICE AREA DESCRIPTIONS (Continued)

Disneyland Service Area

Beginning at the intersection of Euclid Street and Ball Road, then east along Ball Road to Anaheim Boulevard, then south along Anaheim Boulevard and Haster Street to Chapman Avenue, then west along Chapman Avenue to Euclid Street, then north along Euclid Street to its intersection with Ball Road.

SECTION 3. ROUTE DESCRIPTIONS

ROUTE 1. ON-CALL SCHEDULED SERVICE - DOWNTOWN LOS ANGELES - LAX

Commencing at hotels in downtown Los Angeles, then via the most convenient streets and highways to LAX.

ROUTE 2. DOOR-TO-DOOR, ON-CALL SERVICE

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 LGB.

Issued by California Public Utilities Commission.

Decision 88 07 028, Application 87-12-033.