

SEP 30 1988

Decision 88-09-068 September 28, 1988

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 AIRPORT LIMOUSINE SERVICE OF)
 SUNNYVALE, INC. for authority to add)
 scheduled van service between points)
 in San Francisco County and San)
 Francisco International Airport to)
 its passenger stage authority PSC 899.)

ORIGINAL

Application 87-09-042
(Filed September 30, 1987)

Clifford S. Orloff, for Airport Connection/
 Airport Limousine, applicant.
Raymond A. Greene, Jr., Attorney at Law,
 for SFO Airporter, Inc., and Thomas J.
 MacBride, Attorney at Law, for Bay Area
 SuperShuttle, protestants.
Alok Kumar and Belinda Gatti, for the
 Transportation Division.

OPINION

Airport Limousine Service of Sunnyvale, Inc. (ALS or applicant) currently provides on-call and scheduled airport transportation services as a passenger stage corporation (PSC) between points in the Counties of Santa Clara, San Mateo, Alameda, and Contra Costa, on the one hand, and the San Francisco (SFO), San Jose, and Oakland International Airports, on the other hand, in vans, sedans, and limousines. It also provides PSC on-call service in sedans and limousines between points in the County of San Francisco and SFO.

By this application ALS requests authority to extend its service to include scheduled transportation in vans with seating capacity of 14 passengers (excluding the driver) or less, between SFO and San Francisco.

The application was protested by SFO Airporter, Inc. (Airporter) and by Bay Area SuperShuttle, Inc. (SuperShuttle). Three days of public hearing were held before Administrative Law Judge (ALJ) John Lemke in San Francisco during January and March 1988. The matter was submitted subject to the filing of briefs on May 6, 1988.

ALS in its application asserts generally as follows:

1. Currently, no carrier provides a first-class low cost scheduled service in vans carrying 14 passengers or less between SFO and points in San Francisco.
2. Scheduled large bus service has higher operating costs than van service, and therefore must make more stops than the proposed service to have an economic load factor.
3. Large bus service is saddled with city terminal and other large expenses, and has lost traffic recently in a growing market.
4. On-call van service can only make 3 stops maximum before the service level deteriorates, and so must charge 30% more than the \$5 fare proposed by ALS. ALS believes a viable market exists, one represented by customers who want a higher level of service than that offered with big buses, and a lower fare than that offered by the on-call door-to-door van services. It wishes to operate such a service every half hour from SFO and every half hour from various hotels in San Francisco.

Applicant asserts that the Commission has endorsed the concept of competition in the airport transportation marketplace through its historical certification of a large number of carriers in each county, particularly in San Francisco; that granting its request would have no adverse effect on the current level of competition, and would very likely spur innovation in the marketplace.

Evidence

ALS

ALS operates under the fictitious names of Airport Limousine Service and Airport Connection. Clifford Orloff, president and chief executive officer of ALS, explained that there is no scheduled service of any type, large bus or van, to the list of hotels to be served by the applicant and that the applicant is seeking permission to perform the same service between SFO and San Francisco that it is currently authorized to perform between SFO and points in other Bay Area counties; i.e., Contra Costa, Alameda, San Mateo, and Santa Clara. He considers this particular activity to be a fixed schedule, flexible route service. Orloff explained that ALS operates in the East Bay on a fixed schedule, published in timetables, which is in effect a promise that the carrier will arrive at a particular point at a specific time. Some stops are "mandatory" stops; others are "reservation only" stops, meaning that if there is a call for a pickup at that location, a stop will be made. Otherwise, the vehicle bypasses that location. On one day, one vehicle may be assigned to make scheduled stops in three cities, and another vehicle will make stops in other communities; while the next day, the entire schedule may be done with only one vehicle if traffic conditions and the number of passengers will allow this. Thus, the routing is determined based upon varying conditions, and the applicant's totally computerized reservation system provides the flexibility to make the necessary dispatching decisions.

The determination whether a stop is mandatory or by reservation depends upon the amount of passengers typically transported to or from that point. Initially, ALS was requesting authority to stop at any hotel in San Francisco. However, the applicant amended its request to approximately 90 hotels as listed in Exhibit 5. The carrier expects to file schedules which are different during peak and off-peak months. Orloff testified that

at the time of the hearing there was no PSC scheduled service to or from San Francisco because of the labor difficulty currently experienced by one of the protestants (Airporter). He proposes to offer his service for a fare of \$5 whereas the current on-call service rate is \$7 to \$8. Orloff believes that the proposed van service to be provided in vehicles seating no more than 14 passengers is a good compromise between the service provided in smaller vehicles and that provided in large buses. This is because the van will be filled after four or five stops; whereas with a larger bus more stops would be required to fill the vehicle, or else the bus would simply not run so frequently.

Two public witnesses testified on behalf of ALS. The first, sales manager for HBR Hotels, which owns and manages five hotels in San Francisco, stated that the hotels have not received satisfactory service from Airporter because Airporter never provided them door-to-door service, making it necessary to go to Airporter's terminal or to a larger hotel where such service was provided. He testified that the hotels are served by SuperShuttle, but that applicant's fares would be \$3 lower than SuperShuttle's. The second witness, director of sales and marketing for Americana Suites Hotel, believes that the lower cost service proposed by ALS would be good for the public because it would provide competition in scheduled service between San Francisco and the airport.

ALS' vice president and controller, Lynell Phillips, testified as follows:

TTMC, Inc., the parent company of ALS, earned a profit of \$89,000 in 1987. Approximately \$78,700 of this profit was attributable to operations performed by ALS. TTMC, Inc. had cash on hand at the end of 1987 in the amount of about \$267,000, and debt of about \$79,000. ALS' average cost per mile is about \$1.16; however, as miles increase the average cost will decrease because some expenses such as rents and other fixed expenses will not increase with added business. She estimates that owner-operators

employed by ALS will break even at 50 cents per mile they drive, but stated that they actually receive about 60 cents per mile with incentive payments.

Phillips estimates that in order to break even, applicant would have to carry an average of 3.6 passengers per trip. She also stated that during 1987 it carried 1.4 passengers per trip. In order to increase the average load factor to the required 3.6 passengers, she expects the carrier's dead-head, or empty miles to be substantially reduced in this new service, because present empty miles are experienced predominantly in its South Bay and East Bay business which is heavily residence oriented. The proposed service will be concerned principally with nonresidential type business, moving passengers between the airport and the various hotels.

Jim Proffitt, ALS' transportation manager and assistant dispatch manager, described the company's four types of transportation providers. These are (1) employee drivers in company vehicles, (2) independent drivers in leased vehicles, (3) independent charter-party authorized vehicles working under contract with mileage payments and incentive bonus payments, and (4) independent charter party authorized vehicles doing brokered work under fixed rates per job. Proffitt also described ALS' training program, involving both on-the-road and classroom training, with examinations, and the applicant's safety record. The carrier's accident rate in 1987 was negligible in the performance of approximately 90,000 trips involving four parking accidents and one disputed "whiplash" accident concerning an employee of an owner-operator.

Applicant's reservations and sales manager, Stephanie Davis, testified that she has surveyed 25-30 hotels in connection with this request. In her prepared testimony (Exhibit 3) she referred to interviews with certain personnel at various hotels. She stated that some interviewees told her they would like to have

the proposed service for their guests, and others had indicated dissatisfaction with some of protestants' services. Some had also indicated to the witness their satisfaction with current service. However, none of this evidence was corroborated by other witnesses, and a motion to strike some of the statements contained in Exhibit 3 was proffered by protestants. The ALJ denied the motion.

Exhibit 5 is a list of approximately 90 hotels which ALS requests authority to serve. Applicant would prefer to have its authority sought here, if granted, written in the same format as that held by Airporter; i.e., to and from all hotels. However, Orloff testified that he has been informed by a staff member that the Commission does not issue such "open" authorities any longer, and for that reason ALS has furnished the extensive list of hotels shown in Exhibit 5. All of these hotel stops would be scheduled, rather than on-call stops, he stressed. Orloff testified that he expects, by providing scheduled service, to significantly improve his load factors over those experienced by on-call services. Hence the proposed lower fare of \$5.

At the reservation-only hotels, ALS proposes to stop only if it has received a call for pickup of passengers; while at the mandatory stops, a van will stop at every hotel. Orloff stated that the decision has not been made as to which of the hotels in Exhibit 5 are to be designated "reservation-only" and which "mandatory." He expects to make these designations when filing timetables, if and when authorized.

Airporter

Airporter's general manager and chief financial officer, Gordon Esposto, testified as follows:

1. Airporter operates currently between SFO and points in San Francisco, in buses containing seating for a maximum number of passengers. Airporter maintains a modern, luxurious terminal at a location immediately accessible to virtually every

hotel in downtown San Francisco. Airporter expends considerable sums of money advertising its services; nevertheless, it continues to experience substantial unused capacity with its operating equipment.

2. On about December 1, 1987, Airporter was forced to curtail operations as the result of a strike of its drivers. While the situation insofar as it involves union drivers is unresolved, Airporter has made the necessary arrangements to reinstitute service between SFO and downtown San Francisco hotels, and service recommenced February 24, 1988. Buses leave the downtown terminal every half hour from 5:30 a.m. to 10:00 a.m., and every 15 minutes between 10:00 a.m. and 9:00 p.m. Thereafter, buses leave the terminal every half hour to and including the following morning at 12:45 a.m. All buses, of which there are 11, perform round trip service between the terminal and SFO. Fares are \$4.00 one way and \$7.00 round trip.
3. Airporter is completing details necessary to reinstitute its prior operations between SFO and other San Francisco areas such as Fisherman's Wharf and the financial district. Airporter's operations are performed pursuant to PUC authority as well as the provisions of Ground Transportation Permit No. 1505, recently issued to Airporter by the San Francisco Airports Commission.
4. There is great competition in the transportation of passengers within this corridor, represented not only by existing authorized carriers, but by an increasing number of illegal operators. This corridor may be the busiest in the United States. The Commission has issued a plethora of certificated authorities over the last eight to ten years to carriers serving this corridor, thereby leading to a situation where carriers are unable to serve the best interests of the general public, even causing the strike referred to above.

5. In June 1975 the rate of Airporter's predecessor was \$1.25. The rate was increased to \$6.00, but recently reduced to \$4.00. In each instance where the Commission has authorized increases in Airporter's rates, it has been because of the substantial diversion of traffic experienced through increased competition and the consequent diminution in Airporter customers.
6. There is no need for the proposed service; in fact, this was the specific finding of the Commission in two prior decisions involving ALS.
7. ALS is neither financially nor operationally fit to conduct the proposed service. There is a fixed number of passengers utilizing the existing service. This number does not change when the Commission authorizes new carriers. For example, in 1977 passenger volume at SFO was 20,249,060, of which Airporter transported 1,973,838. In 1987 the passenger volume was about 31,000,000, of which Airporter transported 860,000. Present passenger services, including those performed with taxis, limousines, vans, mini-buses, and large buses meet every need of the traveling public to or from SFO. Diverting passengers from the large bus service operated by Airporter will result in a waste of energy.
8. The Commission should adhere to the provisions of Public Utilities (PU) Code § 1032(b) which states that the Commission may issue a certificate to operate in a territory already served by a certificate holder only when the existing service is not satisfactory to the Commission.
9. Esposito conceded that if passengers staying at numerous hotels wish to use Airporter's service to or from SFO, they must either walk or take a bus or taxi to or from Airporter's terminal; that no service is currently provided to the door of any hotel in San Francisco.

10. Esposito testified that Airporter is opposing the sought authority because of the expected dilution of Airporter's traffic. Airporter reduced its fare in February 1988 from \$6 to \$4 to attract a more economically based clientele. Further, if Airporter resumed service to the Hyatt Regency, that fare would be \$4. He noted that when Airporter service to the Hyatt Regency and other hotels is reinstated in two months, where door-to-door service will be performed, that service would be duplicated by ALS' proposed service if this application is granted. He emphasized that there are certain locations in the city where there are clusters of hotels; that in those instances Airporter will serve a geographical area and passengers either walk across the street or take a taxi from its downtown terminal to a particular hotel.
11. Esposito believes the service proposed by ALS, other than the mandatory stops, actually constitute on-call rather than scheduled service. And he contends that ALS' payment to its independent contractors of 50 cents per mile is inadequate, considering the operating costs experienced by such contractors. He professed that conditions at SFO are in a state of gridlock much of the time; that ALS' proposal to add another 12 vehicles to the pool already serving SFO would exacerbate the problem.

Briefs were filed May 6 by applicant, by protestants, and by the Transportation Division staff.

The staff objects to granting of the application until ALS provides a specific list of scheduled stops it plans to serve. The staff is not convinced that applicant will provide reliable, consistent service on its proposed routes.

On June 3, ALS filed rebuttals to the briefs filed by both protestants and by the staff. Counsel for both protestants

sent letters to the ALJ objecting to the rebuttals on the grounds that the application had been submitted May 6 by the filing of concurrent briefs. On June 9, ALS filed its Petition to Set Aside Submission and Reopen the Proceeding for the Taking of Additional Evidence, in accordance with Rule 84 of the Commission's Rules of Practice and Procedure. As justification for its petition, ALS asserts that its rebuttal brief to the staff brief should be made a part of the record because it contains information requested by the staff.

The staff had objected to granting of the application unless ALS "submits his scheduled routes with definitive stops and times." ALS' rebuttal brief to the staff brief contains such routes and schedules.

ALS maintains that its rebuttals to the briefs of the two protestants relate to actions by them in either filing for authority or commencing operations similar to that proposed by applicant, after protesting that public convenience and necessity would not be served by ALS' new service. On June 22 Airporter filed its response in opposition to ALS' petition to set aside submission. Airporter insists that the ALS petition is deficient under Rule 84 because it fails to specify material changes of fact or law, and fails to explain why the proffered evidence was not previously adduced.

The ALJ issued his ruling on June 29, 1988 denying applicant's petition. The ruling is hereby affirmed.

Discussion

ALS presently holds PSC authority to provide on-call and scheduled service using vans, sedans, and limousines between points in Alameda, Contra Costa, San Mateo, and Santa Clara Counties, on the one hand, and SFO, San Jose, and Oakland International Airports, on the other hand. ALS is also authorized to provide pre-arranged on-call service between points in San Francisco and SFO restricted to luxury limousines and sedans at fares of \$15.00

per rider. In this request ALS seeks authority to provide scheduled PSC service in vans between SFO and about 90 hotels in San Francisco.

Scheduled service performed by a PSC subject to our jurisdiction between SFO and San Francisco is currently provided only by protestant Airporter but only on a terminal-to-terminal basis rather than a door-to-door basis. (Scheduled service is also provided by San Mateo Transit District between these points; however, this latter carrier was not a party to this proceeding.) Protestant SuperShuttle provides on-call, door-to-door service between these points. SuperShuttle has recently filed A.88-05-037, seeking authority to provide inter alia, scheduled PSC service between SFO and San Francisco. Thus, unlike Airporter, ALS requests authority to perform door-to-door service to almost 90 hotels in San Francisco; and unlike SuperShuttle, it proposes to provide scheduled service to the city. The ALS proposed scheduled service is either different or less expensive than that now being provided by either of the protestants.

Airporter has enumerated seven factors which it believes should be examined in determining whether public convenience and necessity indicate that a certificate may be granted. These factors were considered in D.82-07-084, dated July 21, 1982, in A.60864 and 82-02-68 (9 CPUC 2d. 452). They are:

1. Public requirement for the service;
2. Adequacy of existing service;
3. Ability of the proposed service to complement existing service;
4. Technical feasibility of the proposed service;
5. Technical qualifications of applicant;
6. Financial ability of applicant; and

7. Economic feasibility of the proposed service.

These elements may be significant and appropriate for Commission consideration in determining public convenience and necessity, although not necessarily all need be considered in every proceeding. Furthermore, there may be other considerations, such as fare structures, service levels, etc. which ought to be considered in a given situation.

The evidence presented by ALS in its request to provide the proposed service will support a finding of public convenience and necessity. ALS presented two public witnesses. One of these witnesses, a director of sales and marketing for the Americana Suites Hotel, testified on the need for ALS' services. Another public witness, a sales manager at HBR Hotels which has five hotels (Atherton Hotel, Hyde Park Suites, Lombard Hotel, York Hotel, and Hotel Richelieu) in San Francisco, testified that it is desirable to have a scheduled service at the hotels every half hour or at ten minutes to the hour. The convenience and the cost of service are the two reasons given that would induce passengers to use the proposed scheduled service of ALS.

The applicant's reservation and sales manager surveyed 25-30 hotels in support of the proposed service. Evidence of this type is not inadmissible as hearsay, but both its admissibility and weight will be determined on the basis of the scientific rigor and precision with which the evidence was obtained and presented. The number of hotels surveyed in relation to the number of hotels to be served suggests that the probability of sampling error is low. We therefore conclude that survey has some probative value in showing need for the service.

We are statutorily mandated to consider whether the existing PSC's serving the territory will provide service to the satisfaction of the Commission. (PU Code § 1032(b).) There is evidence to support a finding that there are no scheduled door-to-door service to many of the hotels presently being provided between SFO and San Francisco.

We have been asked to take official notice of ALS' annual report for 1987. The report has been filed and indicates that ALS' financial position is quite sound. The carrier appears to be capable, from a financial perspective, of providing the proposed service. The balance sheet shows assets of \$258,398 at year end 1987, current liabilities of \$133,898, and total corporate capital and surplus of \$124,000. The income statement in the report shows total operating revenues of \$2,176,457 and total expenses of \$2,125,361. The resultant net income is \$51,610; the operating ratio 97.7.

There is the need for a scheduled door-to-door service proposed by ALS, and such need has been adequately demonstrated. Airporter's passengers must get to and from points beyond its terminal by their own means to their ultimate hotel destination. This indicates that additional service is required. And applicant has demonstrated public need for this more personalized service, and that the present service does not afford adequate convenience to its passengers.

We are concerned over Esposto's testimony relative to the crowded conditions experienced at SFO, and also over his statements concerning the limited passenger market between these points and the dilution of passengers available to the existing carriers. Commission records indicate the existence of approximately 10 carriers holding PSC "on-call" certificates from this Commission authorizing service between these points. As we have stated before, the management and operation of the airport facility is the province of SFO. We will cooperate with SFO fully in support of

workable means to manage the flow of vehicles, but at present we will not deny new service to the public where such service has been shown to be needed.

Adequate showing of public need has been demonstrated by ALS and the application should be granted

In accordance with Public Utilities Code Section 311, as amended by Assembly Bill 3383, the ALJ's proposed decision was mailed to appearances on August 3, 1988. No comments were received.

Findings of Fact

1. ALS requests authority to perform scheduled PSC service in vans between approximately 90 hotels in San Francisco and SFO.

2. Scheduled PSC service is presently provided between San Francisco and SFO by Airporter, although such service is not generally provided on a door-to-door basis.

3. Approximately ten carriers holding PSC "on-call" certificates are authorized to perform service between San Francisco and SFO moreover such services are not on fixed schedules. Furthermore, San Mateo Transit District provides scheduled service between its terminal in San Francisco and SFO.

4. Applicant has the experience and financial ability to perform the proposed service.

5. ALS has demonstrated a public need for the service proposed in its application.

Conclusion of Law

The application should be granted.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Airport Limousine Service of Sunnyvale, Inc. for authority 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 899, to transport persons and their 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 showing the mandatory or reservation-only stops within 120 days after this order is effective.
- c. State in its tariffs and timetables when service will start, allow at least 10 days of notice to the Commission, and make the timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with the General Order 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 the 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 September 28, 1988, at San Francisco, California.

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

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

I abstain.

/s/ DONALD VIAL
Commissioner

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



Victor Weisser, Executive Director

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Appendix PSC-899

Airport Limousine Service
of Sunnyvale, Inc.

Original Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION

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.

Supersedes authority heretofore
granted to Airport Limousine Service
of Sunnyvale Inc.

Issued under authority of Decision 88-09-068, dated September 28, 1988,
of the Public Utilities Commission of the State of California, in
Application 87-09-042.

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

Airport limousine Service of Sunnyvale, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to transport passengers and baggage on an "on-call" and scheduled basis between points in the counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara, and San Francisco International Airport (SFO), Oakland International Airport (OAK), and San Jose International Airport (SJC) as described in Section 2, 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. No service shall be provided to or between intermediate points. Only passengers originating at or destined to SFO, OAK, or SJC Airport will be transported.

Issued by California Public Utilities Commission.

Decision 88-09-068, Application 87-09-042.

- d. The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. Schedule service may be rendered only between the points and over the routes set forth in Section 2. The tariffs and timetables shall show the conditions under which each authorized on-call service will be rendered.
- e. 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.

SECTION 2. ROUTE DESCRIPTIONS.

Route 1. Berkeley - SFO

Commencing with a service point anywhere within the city limits of Berkeley then over and along the most convenient streets and highways to San Francisco International Airport.

Route 2. Berkeley - Emeryville - SFO

Commencing with service at any of the following points:

Berkeley

*Claremont Hotel, 41 Tunnel Road
Durant Hotel, 2600 Durant Avenue
*Marriott Inn, 200 Marina Boulevard

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Appendix PSC-899

Airport limousine Service
of Sunnyvale, Inc.

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SECTION 2. ROUTE DESCRIPTIONS (continued)

Emeryville

*Emeryville Holiday Inn, 1800 Powell Street

Then over and along the most convenient streets and
highways to San Francisco International Airport.

*Pick-up point by reservation only.

Route 3. Concord - Walnut Creek - SFO

Commencing with service at any of the following points:

Concord

Sheraton Hotel, 45 John Glenn Drive Concord
Holiday Inn, Diamond and Burnett Avenue Concord
Hilton, 1970 Diamond Boulevard
Concord Inn, 1401 Willow Pass Road

Walnut Creek

BART Station

Orinda

BART Station

Berkeley

Claremont Hotel, 41 Tunnel Road

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Appendix PSC-899

Airport limousine Service
of Sunnyvale, Inc.

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SECTION 2. ROUTE DESCRIPTIONS (continued)

Emeryville

Emeryville Holiday Inn, 1800 Powell Street
Then over and along the most convenient streets and
highways to San Francisco International Airport.

Pickups on this route are by reservation only.

Route 4. SFO - SF Peninsula Cities - SJC

Commencing with service at any of the following points:

Redwood City

Howard Johnson's Hotel, 485 Veterans Boulevard

Menlo Park

Stanford Research Institute (SRI), 333
Ravenswood Avenue

Palo Alto

Stanford University campus
Flamingo Lodge, 1398 El Camino Real
Rickey's Hyatt House, 4219 El Camino Real
Holiday Inn, 625 El Camino Real

Sunnyvale

Lockheed Missiles & Space, 1111 Lockheed Way
Hilton Inn, 1250 Lakeside Drive
Sheraton Hotel, 1100 N. Mathilda Avenue

Santa Clara

Marriott Hotel, Great American Parkway

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SECTION 2. ROUTE DESCRIPTIONS (continued)

San Jose

Le Baron Hotel, 1350 N. 1st Street

Hyatt House, 1740 N. 1st Street

Red Lion Hotel, 2050 Gateway Place

Then over and along the most convenient streets and highways to San Francisco International Airport or San Jose International Airport.

Route 5 San Francisco - SFO

Commencing with service at any of the following points:

Nob Hill

- (f)Huntington Hotel, 1075 California Street
- Mark Hopkins Hotel, One Nob Hill
- Stanford Court Hotel, 905 California Street
- Fairmont Hotel, 950 Mason Street

Civic Center

- (f)Britton Hotel, 112 7th Street
- (f)Flamingo Motor Inn, 114 7th Street
- (f)Best Western Americana, 121 7th Street
- (f)Carriage Inn, 140 7th Street
- (f)Senator Hotel, 519 Ellis Street
- (f)Travelodge Civic Center, 655 Ellis Street
- (f)Essex Hotel, 684 Ellis Street
- (f)Atherton Hotel, 685 Ellis Street
- (f)Hotel Miramar, 1112 Market Street
- (f)UN Plaza Hotel, 1112 Market Street
- (f)San Franciscan Hotel, 1231 Market Street
- Holiday Inn Civic Center, 50 8th (at Market) Street

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SECTION 2. ROUTE DESCRIPTIONS (continued)

Downtown 1

- (f) Hotel Vintage Court, 650 Bush Street
- (f) Juliana Hotel, 590 Bush Street
- Hyatt on Union Square, 345 Stockton Street
- Compton Place, 340 Stockton Street
- Westin St. Francis, 335 Powell Street
- Hilton Hotel & Tower, Mason & O'Farrell Streets
- Hotel Nikko, 150 Powell Street
- Ramada Renaissance Hotel, 55 Cyril Magnin

Downtown 2

- (f) Galleria Park Hotel, 191 Sutter Street
- (f) Union Square Holiday Inn, 480 Sutter Street
- (f) Sir Francis Drake, Sutter and Powell Streets
- (f) Cartwright Hotel, 524 Sutter Street
- (f) Beresford Hotel, 635 Sutter Street
- (f) Orchard Hotel, 625 Sutter Street
- (f) Canterbury Hotel, 750 Sutter Street
- (f) Commodore International Hotel, 825 Sutter Street
- (f) York Hotel, 940 Sutter Street
- (f) Hotel Carlton, 1075 Sutter Street
- (f) The Hotel Benford, 761 Post Street
- (f) Beresford Arms Hotel, 701 Post Street
- (f) Cecil Hotel, 545 Post Street
- (f) Donatello Hotel, 501 Post Street
- Portman Hotel, 500 Post Street
- (f) Kensington Park, 450 Post Street
- (f) Chancellor Hotel, 433 Powell Street
- Westin St. Francis, 335 Powell Street
- (f) Hotel Stewart, 351 Geary Street
- Hilton Hotel & Tower, Mason & O'Farrell Streets
- (f) Hotel Nikko, 150 Powell Street
- Ramada Renaissance Hotel, 55 Cyril Magnin
- (f) Hotel Merlin, 85 5th Street

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SECTION 2. ROUTE DESCRIPTIONS (continued)

Downtown 3

- (f)Handlery Union Square, 351 Geary Street
- (f)Raphael Hotel, 386 Geary Street
- (f)Hotel Diva, 440 Geary Street
- (f)Hotel David 480 Geary Street
- (f)Four Seasons Clift, 495 Geary Street
- (f)El Cortez Hotel, 550 Geary Street
- (f)Hotel Savoy, 580 Geary Street
- (f)Geary Hotel, Geary Street
- (f)Hotel Californian, Taylor & O'Farrell Streets
- (f)Mark Twain Hotel, 345 Taylor Street
- (f)King George Hotel, 334 Mason Street
- (f)Virginia Hotel, 312 Mason Street
- (f)Handlery Motor Inn, 260 O'Farrell Street
- Westin St. Francis, 335 Powell Street
- Hilton Hotel and Tower, Mason & O'Farrell
Streets
- (f)Hotel Nikko, 150 Powell Street
- Ramada Renaissance Hotel, 55 Cyril Magnin

Embarcadero

- (f)Financial District Holiday Inn, 750 Kearney Street
- (f)Hyatt Financial District, Battery & Pacific
Streets
- (f)YMCA Embarcadero, 166 Embarcadero
- Hyatt Regency, 5 Embarcadero
- (f)Mandarin Hotel, 222 Sansome Street
- (f)Le Hotel Meridien 50 3rd Street
- Sheraton Palace Hotel, 639 Market Street
- Marriott Moscone Center, 785 Market Street
- (f)Mosses Victorian Hotel, 54 4th Street

Issued by California Public Utilities Commission.

Decision 88-09-068, Application 87-09-042.

T/TE/te *

Appendix PSC-899

Airport limousine Service
of Sunnyvale, Inc.

Original Page 8

SECTION 2. ROUTE DESCRIPTIONS (continued)

Van Ness

- (f) Quality Hotel, 2775 Van Ness Avenue
- (f) Vagabond Inn, 2550 Van Ness Avenue
- (f) Holiday Lodge, 1901 Van Ness Avenue
- (f) Golden Gate Holiday Inn, 1500 Van Ness Avenue
- (f) Grosvenor Inn Civic Center, 1050 Van Ness Avenue
- (f) Cathedral Hill Hotel, Van Ness Avenue and Geary Street
- (f) Hotel Richelieu, Geary Street & Van Ness Avenue
- (f) Lombard Hotel, 1015 Geary Street

Fisherman's Wharf

- Ramada Hotel Fisherman's Wharf, 590 Bay Street
- Fisherman's Wharf Marriott, 1250 Columbus Avenue
- Fisherman's Wharf Holiday Inn, 1300 Columbus Avenue
- (f) Howard Johnson's, 580 Beach Street
- (f) Travelodge at the Wharf, 250 Beach Street
- (f) Wharf Inn, 2601 Mason Street
- (f) Sheraton Fisherman's Wharf, 2500 Mason Street
- (f) Hyde Park Suites, 2665 Hyde Street

(f) Flag Stop

Issued by California Public Utilities Commission.

Decision 88-09-068, Application 87-09-042.

ALJ/JSL/pc

Decision 88 09 068 SEP 28 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
AIRPORT LIMOUSINE SERVICE OF)
SUNNYVALE, INC. for authority to add)
scheduled van service between points)
in San Francisco County and San)
Francisco International Airport to)
its passenger stage authority PSC 899.)

Application 87-09-042
(Filed September 30, 1987)

Clifford S. Orloff, for Airport Connection/
Airport Limousine, applicant.
Raymond A. Greene, Jr., Attorney at Law,
for SFO Airporter, Inc., and Thomas J.
MacBride, Attorney at Law, for Bay Area
SuperShuttle, protestants.
Alok Kumar and Belinda Gatti, for the
Transportation Division.

O P I N I O N

Airport Limousine Service of Sunnyvale, Inc. (ALS or applicant) currently provides on-call and scheduled airport transportation services as a passenger stage corporation (PSC) between points in the Counties of Santa Clara, San Mateo, Alameda, and Contra Costa, on the one hand, and the San Francisco (SFO), San Jose, and Oakland International Airports, on the other hand, in vans, sedans, and limousines. It also provides PSC on-call service in sedans and limousines between points in the County of San Francisco and SFO.

By this application ALS requests authority to extend its service to include scheduled transportation in vans with seating capacity of 14 passengers (excluding the driver) or less, between SFO and San Francisco.

The application was protested by SFO Airporter, Inc. (Airporter) and by Bay Area SuperShuttle, Inc. (SuperShuttle). Three days of public hearing were held before Administrative Law Judge (ALJ) John Lemke in San Francisco during January and March 1988. The matter was submitted subject to the filing of briefs on May 6, 1988.

ALS in its application asserts generally as follows:

1. Currently, no carrier provides a first class low cost scheduled service in vans carrying 14 passengers or less between SFO and points in San Francisco.
2. Scheduled large bus service has higher operating costs than van service, and therefore must make more stops than the proposed service to have an economic load factor.
3. Large bus service is saddled with city terminal and other large expenses, and has lost traffic recently in a growing market.
4. On-call van service can only make 3 stops maximum before the service level deteriorates, and so must charge 30% more than the \$5 fare proposed by ALS. ALS believes a viable market exists, one represented by customers who want a higher level of service than that offered with big buses, and a lower fare than that offered by the on-call door-to-door van services. It wishes to operate such a service every half hour from SFO and every half hour from various hotels in San Francisco.

Applicant asserts that the Commission has endorsed the concept of competition in the airport transportation marketplace through its historical certification of a large number of carriers in each county, particularly in San Francisco; that granting its request would have no adverse effect on the current level of competition, and would very likely spur innovation in the marketplace.

Evidence

ALS

ALS operates under the fictitious names of Airport Limousine Service and Airport Connection. Clifford Orloff, president and chief executive officer of ALS, explained that there is no scheduled service of any type, large bus or van, to the list of hotels to be served by the applicant and that the applicant is seeking permission to perform the same service between SFO and San Francisco that it is currently authorized to perform between SFO and points in other Bay Area counties: i.e., Contra Costa, Alameda, San Mateo, and Santa Clara. He considers this particular activity to be a fixed schedule, flexible route service. Orloff explained that ALS operates in the East Bay on a fixed schedule, published in timetables, which is in effect a promise that the carrier will arrive at a particular point at a specific time. Some stops are "mandatory" stops; others are "reservation only" stops, meaning that if there is a call for a pickup at that location, a stop will be made. Otherwise, the vehicle bypasses that location. On one day, one vehicle may be assigned to make scheduled stops in three cities, and another vehicle will make stops in other communities; while the next day, the entire schedule may be done with only one vehicle if traffic conditions and the number of passengers will allow this. Thus, the routing is determined based upon varying conditions, and the applicant's totally computerized reservation system provides the flexibility to make the necessary dispatching decisions.

The determination whether a stop is mandatory or by reservation depends upon the amount of passengers typically transported to or from that point. Initially, ALS was requesting authority to stop at any hotel in San Francisco. However, the applicant amended its request to approximately 90 hotels as listed in Exhibit 5. The carrier expects to file schedules which are different during peak and off-peak months. Orloff testified that

at the time of the hearing there was no PSC scheduled service to or from San Francisco because of the labor difficulty currently experienced by one of the protestants (Airporter). He proposes to offer his service for a fare of \$5 whereas the current on-call service rate is \$7 to \$8. Orloff believes that the proposed van service to be provided in vehicles seating no more than 14 passengers is a good compromise between the service provided in smaller vehicles and that provided in large buses. This is because the van will be filled after four or five stops; whereas with a larger bus more stops would be required to fill the vehicle, or else the bus would simply not run so frequently.

Two public witnesses testified on behalf of ALS. The first, sales manager for HBR Hotels, which owns and manages five hotels in San Francisco, stated that the hotels have not received satisfactory service from Airporter because Airporter never provided them door-to-door service, making it necessary to go to Airporter's terminal or to a larger hotel where such service was provided. He testified that the hotels are served by SuperShuttle, but that applicant's fares would be \$3 lower than SuperShuttle's. The second witness, director of sales and marketing for Americana Suites Hotel, believes that the lower cost service proposed by ALS would be good for the public because it would provide competition in scheduled service between San Francisco and the airport.

ALS' vice president and controller, Lynell Phillips, testified as follows:

TTMC, Inc., the parent company of ALS, earned a profit of \$89,000 in 1987. Approximately \$78,700 of this profit was attributable to operations performed by ALS. TTMC, Inc. had cash on hand at the end of 1987 in the amount of about \$267,000, and debt of about \$79,000. ALS' average cost per mile is about \$1.16; however, as miles increase the average cost will decrease because some expenses such as rents and other fixed expenses will not increase with added business. She estimates that owner-operators

employed by ALS will break even at 50 cents per mile they drive, but stated that they actually receive about 60 cents per mile with incentive payments.

Phillips estimates that in order to break even, applicant would have to carry an average of 3.6 passengers per trip. She also stated that during 1987 it carried 1.4 passengers per trip. In order to increase the average load factor to the required 3.6 passengers, she expects the carrier's dead-head, or empty miles to be substantially reduced in this new service, because present empty miles are experienced predominantly in its South Bay and East Bay business which is heavily residence oriented. The proposed service will be concerned principally with nonresidential type business, moving passengers between the airport and the various hotels.

Jim Proffitt, ALS' transportation manager and assistant dispatch manager, described the company's four types of transportation providers. These are (1) employee drivers in company vehicles, (2) independent drivers in leased vehicles, (3) independent charter-party authorized vehicles working under contract with mileage payments and incentive bonus payments, and (4) independent charter party authorized vehicles doing brokered work under fixed rates per job. Proffitt also described ALS' training program, involving both on-the-road and classroom training, with examinations, and the applicant's safety record. The carrier's accident rate in 1987 was negligible in the performance of approximately 90,000 trips involving four parking accidents and one disputed "whiplash" accident concerning an employee of an owner-operator.

Applicant's reservations and sales manager, Stephanie Davis, testified that she has surveyed 25-30 hotels in connection with this request. In her prepared testimony (Exhibit 3) she referred to interviews with certain personnel at various hotels. She stated that some interviewees told her they would like to have

the proposed service for their guests, and others had indicated dissatisfaction with some of protestants' services. Some had also indicated to the witness their satisfaction with current service. However, none of this evidence was corroborated by other witnesses, and a motion to strike some of the statements contained in Exhibit 3 was proffered by protestants. The ALJ denied the motion.

Exhibit 5 is a list of approximately 90 hotels which ALS requests authority to serve. Applicant would prefer to have its authority sought here, if granted, written in the same format as that held by Airporter; i.e., to and from all hotels. However, Orloff testified that he has been informed by a staff member that the Commission does not issue such "open" authorities any longer, and for that reason ALS has furnished the extensive list of hotels shown in Exhibit 5. All of these hotel stops would be scheduled, rather than on-call stops, he stressed. Orloff testified that he expects, by providing scheduled service, to significantly improve his load factors over those experienced by on-call services. Hence the proposed lower fare of \$5.

At the reservation-only hotels, ALS proposes to stop only if it has received a call for pickup of passengers; while at the mandatory stops, a van will stop at every hotel. Orloff stated that the decision has not been made as to which of the hotels in Exhibit 5 are to be designated "reservation-only" and which "mandatory." He expects to make these designations when filing timetables, if and when authorized.

Airporter

Airporter's general manager and chief financial officer, Gordon Esposto, testified as follows:

1. Airporter operates currently between SFO and points in San Francisco, in buses containing seating for a maximum number of passengers. Airporter maintains a modern, luxurious terminal at a location immediately accessible to virtually every

hotel in downtown San Francisco. Airporter expends considerable sums of money advertising its services; nevertheless, it continues to experience substantial unused capacity with its operating equipment.

2. On about December 1, 1987, Airporter was forced to curtail operations as the result of a strike of its drivers. While the situation insofar as it involves union drivers is unresolved, Airporter has made the necessary arrangements to reinstitute service between SFO and downtown San Francisco hotels, and service recommenced February 24, 1988. Buses leave the downtown terminal every half hour from 5:30 a.m. to 10:00 a.m., and every 15 minutes between 10:00 a.m. and 9:00 p.m. Thereafter, buses leave the terminal every half hour to and including the following morning at 12:45 a.m. All buses, of which there are 11, perform round trip service between the terminal and SFO. Fares are \$4.00 one way and \$7.00 round trip.
3. Airporter is completing details necessary to reinstitute its prior operations between SFO and other San Francisco areas such as Fisherman's Wharf and the financial district. Airporter's operations are performed pursuant to PUC authority as well as the provisions of Ground Transportation Permit No. 1505, recently issued to Airporter by the San Francisco Airports Commission.
4. There is great competition in the transportation of passengers within this corridor, represented not only by existing authorized carriers, but by an increasing number of illegal operators. This corridor may be the busiest in the United States. The Commission has issued a plethora of certificated authorities over the last eight to ten years to carriers serving this corridor, thereby leading to a situation where carriers are unable to serve the best interests of the general public, even causing the strike referred to above.

5. In June 1975 the rate of Airporter's predecessor was \$1.25. The rate was increased to \$6.00, but recently reduced to \$4.00. In each instance where the Commission has authorized increases in Airporter's rates, it has been because of the substantial diversion of traffic experienced through increased competition and the consequent diminution in Airporter customers.
6. There is no need for the proposed service; in fact, this was the specific finding of the Commission in two prior decisions involving ALS.
7. ALS is neither financially nor operationally fit to conduct the proposed service. There is a fixed number of passengers utilizing the existing service. This number does not change when the Commission authorizes new carriers. For example, in 1977 passenger volume at SFO was 20,249,060, of which Airporter transported 1,973,838. In 1987 the passenger volume was about 31,000,000, of which Airporter transported 860,000. Present passenger services, including those performed with taxis, limousines, vans, mini-buses, and large buses meet every need of the traveling public to or from SFO. Diverting passengers from the large bus service operated by Airporter will result in a waste of energy.
8. The Commission should adhere to the provisions of Public Utilities (PU) Code § 1032(b) which states that the Commission may issue a certificate to operate in a territory already served by a certificate holder only when the existing service is not satisfactory to the Commission.
9. Esposto conceded that if passengers staying at numerous hotels wish to use Airporter's service to or from SFO, they must either walk or take a bus or taxi to or from Airporter's terminal; that no service is currently provided to the door of any hotel in San Francisco.

10. Esposito testified that Airporter is opposing the sought authority because of the expected dilution of Airporter's traffic. Airporter reduced its fare in February 1988 from \$6 to \$4 to attract a more economically based clientele. Further, if Airporter resumed service to the Hyatt Regency, that fare would be \$4. He noted that when Airporter service to the Hyatt Regency and other hotels is reinstated in two months, where door-to-door service will be performed, that service would be duplicated by ALS' proposed service if this application is granted. He emphasized that there are certain locations in the city where there are clusters of hotels; that in those instances Airporter will serve a geographical area and passengers either walk across the street or take a taxi from its downtown terminal to a particular hotel.
11. Esposito believes the service proposed by ALS, other than the mandatory stops, actually constitute on-call rather than scheduled service. And he contends that ALS' payment to its independent contractors of 50 cents per mile is inadequate, considering the operating costs experienced by such contractors. He professed that conditions at SFO are in a state of gridlock much of the time; that ALS' proposal to add another 12 vehicles to the pool already serving SFO would exacerbate the problem.

Briefs were filed May 6 by applicant, by protestants, and by the Transportation Division staff.

The staff objects to granting of the application until ALS provides a specific list of scheduled stops it plans to serve. The staff is not convinced that applicant will provide reliable, consistent service on its proposed routes.

On June 3, ALS filed rebuttals to the briefs filed by both protestants and by the staff. Counsel for both protestants

sent letters to the ALJ objecting to the rebuttals on the grounds that the application had been submitted May 6 by the filing of concurrent briefs. On June 9, ALS filed its Petition to Set Aside Submission and Reopen the Proceeding for the Taking of Additional Evidence, in accordance with Rule 84 of the Commission's Rules of Practice and Procedure. As justification for its petition, ALS asserts that its rebuttal brief to the staff brief should be made a part of the record because it contains information requested by the staff.

The staff had objected to granting of the application unless ALS "submits his scheduled routes with definitive stops and times." ALS' rebuttal brief to the staff brief contains such routes and schedules.

ALS maintains that its rebuttals to the briefs of the two protestants relate to actions by them in either filing for authority or commencing operations similar to that proposed by applicant, after protesting that public convenience and necessity would not be served by ALS' new service. On June 22 Airporter filed its response in opposition to ALS' petition to set aside submission. Airporter insists that the ALS petition is deficient under Rule 84 because it fails to specify material changes of fact or law, and fails to explain why the proffered evidence was not previously adduced.

The ALJ issued his ruling on June 29, 1988 denying applicant's petition. The ruling is hereby affirmed.

Discussion

ALS presently holds PSC authority to provide on-call and scheduled service using vans, sedans, and limousines between points in Alameda, Contra Costa, San Mateo, and Santa Clara Counties, on the one hand, and SFO, San Jose, and Oakland International Airports, on the other hand. ALS is also authorized to provide pre-arranged on-call service between points in San Francisco and SFO restricted to luxury limousines and sedans at fares of \$15.00

per rider. In this request ALS seeks authority to provide scheduled PSC service in vans between SFO and about 90 hotels in San Francisco.

Scheduled service performed by a PSC subject to our jurisdiction between SFO and San Francisco is currently provided only by protestant Airporter but only on a terminal-to-terminal basis rather than a door-to-door basis. (Scheduled service is also provided by San Mateo Transit District between these points; however, this latter carrier was not a party to this proceeding.) Protestant SuperShuttle provides on-call, door-to-door service between these points. SuperShuttle has recently filed A.88-05-037, seeking authority to provide inter alia, scheduled PSC service between SFO and San Francisco. Thus, unlike Airporter, ALS requests authority to perform door-to-door service to almost 90 hotels in San Francisco; and unlike SuperShuttle, it proposes to provide scheduled service to the city. The ALS proposed scheduled service is either different or less expensive than that now being provided by either of the protestants.

Airporter has enumerated seven factors which it believes should be examined in determining whether public convenience and necessity indicate that a certificate may be granted. These factors were considered in D.82-07-084, dated July 21, 1982, in A.60864 and 82-02-68 (9 CPUC 2d. 452). They are:

1. Public requirement for the service;
2. Adequacy of existing service;
3. Ability of the proposed service to complement existing service;
4. Technical feasibility of the proposed service;
5. Technical qualifications of applicant;
6. Financial ability of applicant; and

7. Economic feasibility of the proposed service.

These elements may be significant and appropriate for Commission consideration in determining public convenience and necessity, although not necessarily all need be considered in every proceeding. Furthermore, there may be other considerations, such as fare structures, service levels, etc. which ought to be considered in a given situation.

The evidence presented by ALS in its request to provide the proposed service will support a finding of public convenience and necessity. ALS presented two public witnesses. One of these witnesses, a director of sales and marketing for the Americana Suites Hotel, testified on the need for ALS' services. Another public witness, a sales manager at HBR Hotels which has five hotels (Atherton Hotel, Hyde Park Suites, Lombard Hotel, York Hotel, and Hotel Richelieu) in San Francisco, testified that it is desirable to have a scheduled service at the hotels every half hour or at ten minutes to the hour. The convenience and the cost of service are the two reasons given that would induce passengers to use the proposed scheduled service of ALS.

The applicant's reservation and sales manager surveyed 25-30 hotels in support of the proposed service. Evidence of this type is not inadmissible as heresay, but both its admissibility and weight will be determined on the basis of the scientific rigor and precision with which the evidence was obtained and presented. The number of hotels surveyed in relation to the number of hotels to be served suggests that the probability of sampling error is low. We therefore conclude that survey has some probative value in showing need for the service.

We are statutorily mandated to consider whether the existing PSC's serving the territory will provide service to the satisfaction of the Commission. (PU Code § 1032(b).) There is evidence to support a finding that there are no scheduled door-to-door service to many of the hotels presently being provided between SFO and San Francisco.

We have been asked to take official notice of ALS' annual report for 1987. The report has been filed and indicates that ALS' financial position is quite sound. The carrier appears to be capable, from a financial perspective, of providing the proposed service. The balance sheet shows assets of \$258,398 at year end 1987, current liabilities of \$133,898, and total corporate capital and surplus of \$124,000. The income statement in the report shows total operating revenues of \$2,176,457 and total expenses of \$2,125,361. The resultant net income is \$51,610; the operating ratio 97.7.

There is the need for a scheduled door-to-door service proposed by ALS, and such need has been adequately demonstrated. Airporter's passengers must get to and from points beyond its terminal by their own means to their ultimate hotel destination. This indicates that additional service is required. And applicant has demonstrated public need for this more personalized service, and that the present service does not afford adequate convenience to its passengers.

We are concerned over Esposto's testimony relative to the crowded conditions experienced at SFO, and also over his statements concerning the limited passenger market between these points and the dilution of passengers available to the existing carriers. Commission records indicate the existence of approximately 10 carriers holding PSC "on-call" certificates from this Commission authorizing service between these points. As we have stated before, the management and operation of the airport facility is the province of SFO. We will cooperate with SFO fully in support of

workable means to manage the flow of vehicles, but at present we will not deny new service to the public where such service has been shown to be needed.

Adequate showing of public need has been demonstrated by ALS and the application should be granted

In accordance with Public Utilities Code Section 311, as amended by Assembly Bill 3383, the ALJ's proposed decision was mailed to appearances on August 3, 1988. No comments were received.

Findings of Fact

1. ALS requests authority to perform scheduled PSC service in vans between approximately 90 hotels in San Francisco and SFO.

2. Scheduled PSC service is presently provided between San Francisco and SFO by Airporter, although such service is not generally provided on a door-to-door basis.

3. Approximately ten carriers holding PSC "on-call" certificates are authorized to perform service between San Francisco and SFO moreover such services are not on fixed schedules. Furthermore, San Mateo Transit District provides scheduled service between its terminal in San Francisco and SFO.

4. Applicant has the experience and financial ability to perform the proposed service.

5. ALS has demonstrated a public need for the service proposed in its application.

Conclusion of Law

The application should be granted.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Airport Limousine Service of Sunnyvale, Inc. for authority 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 899, to transport persons and their 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 showing the mandatory or reservation-only stops within 120 days after this order is effective.
- c. State in its tariffs and timetables when service will start, allow at least 10 days of notice to the Commission, and make the timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with the General Order 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 the 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 **SEP 28 1988** at San Francisco, California

I abstain.

Donald Vial, Commissioner

Stanley W. Hulett
President
G. Mitchell Wilk
John B. Ohanian
Commissioners

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

T/TE/te

Appendix PSC-899

Airport Limousine Service
of Sunnyvale, Inc.

Original Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION

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.

Supersedes authority heretofore
granted to Airport Limousine Service
of Sunnyvale Inc.

Issued under authority of Decision 88 09 068, dated SEP 28 1988
of the Public Utilities Commission of the State of California, in
Application 87-09-042.

T/TE/te

Appendix PSC-899

Airport limousine Service
of Sunnyvale, Inc.

Original Page 1

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

Airport limousine Service of Sunnyvale, Inc. by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to transport passengers and baggage on an "on-call and scheduled basis between points in the counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara, and San Francisco International Airport (SFO), Oakland International Airport (OAK), and San Jose International Airport (SJC), as described in Section 2, 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. No service shall be provided to or between intermediate points. Only passengers originating at or destined to SFO, OAK, or SJC Airport will be transported.

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- d. The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. Schedule service may be rendered only between the points and over the routes set forth in Section 2. The tariffs and timetables shall show the conditions under which each authorized on-call service will be rendered.
- e. 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.

SECTION 2. ROUTE DESCRIPTIONS.

Route 1. Berkeley - SFO

Commencing with a service point anywhere within the city limits of Berkeley then over and along the most convenient streets and highways to San Francisco International Airport.

Route 2. Berkeley - Emeryville - SFO

Commencing with service at any of the following points:

Berkeley

*Claremont Hotel, 41 Tunnel Road
Durant Hotel, 2600 Durant Avenue
*Marriott Inn, 200 Marina Boulevard

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Appendix PSC-899

Airport limousine Service
of Sunnyvale, Inc.

Original Page 3

SECTION 2. ROUTE DESCRIPTIONS (continued)

Emeryville

*Emeryville Holiday Inn, 1800 Powell Street,
then over and along the most convenient streets and
highways to San Francisco International Airport.

*Pick-up point by reservation only.

Route 3. Concord - Walnut Creek - SFO

Commencing with service at any of the following points:

Concord

Sheraton Hotel, 45 John Glenn Drive Concord
Holiday Inn, Diamond and Burnett Avenue Concord
Hilton, 1970 Diamond Boulevard
Concord Inn, 1401 Willow Pass Road

Walnut Creek

BART Station

Orinda

BART Station

Berkeley

Claremont Hotel, 41 Tunnel Road

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Appendix PSC-899

Airport limousine Service
of Sunnyvale, Inc.

Original Page 4

SECTION 2. ROUTE DESCRIPTIONS (continued)

Emeryville

Emeryville Holiday Inn, 1800 Powell Street
Then then over and along the most convenient streets and
highways to San Francisco International Airport.

Pickups on this route are by reservation only.

Route 4. SFO - SF Peninsula cities - SJC

Commencing with service at any of the following points:

Redwood City

Howard Johnson's Hotel, 485 Veterans Boulevard

Menlo Park

Stanford Research Institute (SRI), 333
Ravenswood Avenue

Palo Alto

Stanford University campus
Flamingo Lodge, 1398 El Camino Real
Rickey's Hyatt House, 4219 El Camino Real
Holiday Inn, 625 El Camino Real

Sunnyvale

Lockheed Missiles & Space, 1111 Lockheed Way
Hilton Inn, 1250 Lakeside Drive
Sheraton Hotel, 1100 N. Mathilda Avenue

Santa Clara

Marriott Hotel, Great American Parkway

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SECTION 2. ROUTE DESCRIPTIONS (continued)

San Jose

Le Baron Hotel, 1350 N. 1st Street
Hyatt House, 1740 N. 1st Street
Red Lion Hotel, 2050 Gateway Place

Then then over and along the most convenient streets and highways to San Francisco International Airport or San Jose International Airport.

Route 5 San Francisco - SFO

Commencing with service at any of the following points:

Nob Hill

(f)Huntington Hotel, 1075 California Street
Mark Hopkins Hotel, One Nob Hill
Stanford Court Hotel, 905 California Street
Fairmont Hotel, 950 Mason Street

Civic Center

(f)Britton Hotel, 112 7th Street
(f)Flamingo Motor Inn, 114 7th Street
(f)Best Western Americana, 121 7th Street
(f)Carriage Inn, 140 7th Street
(f)Senator Hotel, 519 Ellis Street
(f)Travelodge Civic Center, 655 Ellis Street
(f)Essex Hotel, 684 Ellis Street
(f)Atherton Hotel, 685 Ellis Street
(f)Hotel Miramar, 1112 Market Street
(f)UN Plaza Hotel, 1112 Market Street
(f)San Franciscan Hotel, 1231 Market Street
Holiday Inn Civic Center, 50 8th (at Market)
Street

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Decision 88 09 068, Application 87-09-042

SECTION 2. ROUTE DESCRIPTIONS (continued)

Downtown 1

- (f) Hotel Vintage Court, 650 Bush Street
- (f) Juliana Hotel, 590 Bush Street
- Hyatt on Union Square, 345 Stockton Street
- Compton Place, 340 Stockton Street
- Westin St. Francis, 335 Powell Street
- Hilton Hotel & Tower, Mason & O'Farrell Streets
- Hotel Nikko, 150 Powell Street
- Ramada Renaissance Hotel, 55 Cyril Magnin

Downtown 2

- (f) Galleria Park Hotel, 191 Sutter Street
- (f) Union Square Holiday Inn, 480 Sutter Street
- (f) Sir Francis Drake, Sutter and Powell Streets
- (f) Cartwright Hotel, 524 Sutter Street
- (f) Beresford Hotel, 635 Sutter Street
- (f) Orchard Hotel, 625 Sutter Street
- (f) Canterbury Hotel 750 Sutter Street
- (f) Commodore International Hotel, 825 Sutter Street
- (f) York Hotel, 940 Sutter Street
- (f) Hotel Carlton, 1075 Sutter Street
- (f) The Hotel Benford, 761 Post Street
- (f) Beresford Arms Hotel, 701 Post Street
- (f) Cecil Hotel, 545 Post Street
- (f) Donatello Hotel, 501 Post Street
- Portman Hotel, 500 Post Street
- (f) Kensington Park, 450 Post Street
- (f) Chancellor Hotel, 433 Powell Street
- Westin St. Francis, 335 Powell Street
- (f) Hotel Stewart, 351 Geary Street
- Hilton Hotel & Tower, Mason & O'Farrell Streets
- (f) Hotel Nikko, 150 Powell Street
- Ramada Renaissance Hotel, 55 Cyril Magnin
- (f) Hotel Merlin, 85 5th Street

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SECTION 2. ROUTE DESCRIPTIONS (continued)

Downtown 3

- (f)Handlery Union Square, 351 Geary Street
- (f)Raphael Hotel, 386 Geary Street
- (f)Hotel Diva, 440 Geary Street
- (f)Hotel David 480 Geary Street
- (f)Four Seasons Clift, 495 Geary Street
- (f)El Cortez Hotel, 550 Geary Street
- (f)Hotel Savoy, 580 Geary Street
- (f)Geary Hotel, Geary Street
- (f)Hotel Californian, Taylor & O'Farrell Streets
- (f)Mark Twain Hotel, 345 Taylor Street
- (f)King George Hotel, 334 Mason Street
- (f)Virginia Hotel, 312 Mason Street
- (f)Handlery Motor Inn, 260 O'Farrell Street
- Westin St. Francis, 335 Powell Street
- Hilton Hotel and Tower, Mason & O'Farrell
Streets
- (f)Hotel Nikko, 150 Powell Street
- Ramada Renaissance Hotel, 55 Cyril Magnin

Embarcadero

- (f)Financial District Holiday Inn, 750 Kearney Street
- (f)Hyatt Financial District, Battery & Pacific
Streets
- (f)YMCA Embarcadero, 166 Embarcadero
- Hyatt Regency, 5 Embarcadero
- (f)Mandarin Hotel, 222 Sansome Street
- (f)Le Hotel Meridien 50 3rd Street
- Sheraton Palace Hotel, 639 Market Street
- Marriott Moscone Center, 785 Market Street
- (f)Mosser Victorian Hotel, 54 4th Street

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Airport limousine Service
of Sunnyvale, Inc.

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SECTION 2. ROUTE DESCRIPTIONS (continued)

Van Ness

- (f) Quality Hotel, 2775 Van Ness Avenue
- (f) Vagabond Inn, 2550 Van Ness Avenue
- (f) Holiday Lodge, 1901 Van Ness Avenue
- (f) Golden Gate Holiday Inn, 1500 Van Ness Avenue
- (f) Grosvenor Inn Civic Center, 1050 Van Ness Avenue
- (f) Cathedral Hill Hotel, Van Ness Avenue and Geary Street
- (f) Hotel Richelieu, Geary Street & Van Ness Avenue
- (f) Lombard Hotel, 1015 Geary Street

Fisherman's Wharf

- Ramada Hotel Fisherman's Wharf, 590 Bay Street
- Fisherman's Wharf Marriott, 1250 Columbus Avenue
- Fisherman's Wharf Holiday Inn, 1300 Columbus Avenue
- (f) Howard Johnson's, 580 Beach Street
- (f) Travelodge at the Wharf, 250 Beach Street
- (f) Wharf Inn, 2601 Mason Street
- (f) Sheraton Fisherman's Wharf, 2500 Mason Street
- (f) Hyde Park Suites, 2665 Hyde Street

(f) Flag Stop

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