

Decision **88 12 065** DEC 19 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Woo Jin Kim dba Seoul Shuttle for)
authority to operate as a passenger)
stage between certain portions of)
Los Angeles County and Los Angeles)
International (LAX) Airport.)

Application 88-06-005
(Filed June 3, 1988)
Mailed

DEC 19 1988

Seogh Chang, for applicant.
K. D. Walpert, for the City of Los Angeles
Department of Transportation, protestant.
Vahak Petrossian and MacDonal Esule, for
the Transportation Division.

OPINION

Applicant Woo Jin Kim, doing business as Seoul Shuttle (applicant), seeks a certificate of public convenience and necessity under Public Utilities (PU) Code § 1031, et seq., to establish and operate a passenger stage bus service for the transportation of passengers and baggage between that area of the City of Los Angeles commonly known as Koreatown and the Los Angeles International Airport (LAX).

The application includes the following information on the proposed service. It will be door-to-door, ten hours (8:00 a.m. to 6:00 p.m.) a day, 7 days a week, 365 days a year. Two 6-passenger, radio-equipped vans will initiate the service, and a garage will be rented as soon as applicant has authority to initiate service. The one-way fare will be \$12.00, with baggage transported without charge; children under 3 years of age will not be charged when accompanied by an adult. It is alleged that Korean visitors and residents require service from drivers and agents who speak their language.

An informal balance sheet for February 1988 is attached to the application. It lists applicant's assets as \$20,000 cash, \$55,000 in vehicles owned, and \$200,000 in real estate. The only liability is \$30,000 owed on real estate. Net worth is \$255,000.

Applicant filed a Projected Annual Income Statement on June 27, 1988. This document assumes that a minimum of 16 one-way trips will be made every day and that a minimum of 2 passengers will be transported in each vehicle. Applicant's report presumes that service will be available 365 days a year. Using a formula recommended by the Commission staff, applicant estimates operating income of \$133,152, and expenses of \$111,012.90, with a net income of \$22,139.10. This document is not signed and there is no indication who prepared the report.

Notice of the filing of the application appeared in the Commission's Daily Calendar and a protest was filed by the Department of Transportation of the City of Los Angeles. A public hearing was held in Los Angeles on September 8, 1988, before Administrative Law Judge Edward G. Fraser. The matter was submitted on the date of hearing. Applicant called four witnesses and the City of Los Angeles called a single witness. The Commission Transportation staff Division assisted in developing the record.

Three of applicant's witnesses were Korean residents of Koreatown who testified that they and their families will use applicant's service if they fly out of or into LAX. One witness testified that he arrived in Los Angeles several years ago from Korea and found no one at the airport who spoke Korean. He fortunately had a telephone number to call when he reached Los Angeles. Most Korean visitors are not that fortunate.

Applicant was not present at the hearing, but a witness testified who will manage the business if authority is granted by the Commission. The latter stated that the vans are not equipped with radios as yet, but should be available to provide an immediate

pickup for those who call from Koreatown and service within 30 minutes on calls from the airport. Applicant's service regulations will provide that calls for service should be made two hours before the caller expects to be picked up.

The witness testified that drivers will be paid \$6.00 an hour and will work an 8-hour day. The applicant and the witness will each drive a vehicle for the last two hours of the proposed ten-hour daily service. If service calls are received when no vehicles are available, the prospective customers will be referred to other bus operators.

The witness was not familiar with the "Projected Annual Income Statement." He stated that the document was prepared by a person hired to do it, who was not at the hearing. The 16 daily trips and 2 passengers per run were chosen because it was the estimated break-even point on the proposed transportation. The witness stated that when applicant's vehicles transport more than a single passenger, the extra people will each be charged \$5.00. This remark was prompted by the testimony of the witness from the City of Los Angeles. All passengers are charged \$12.00 in applicant's "Projected Annual Income Statement."

The witness for the City of Los Angeles was a vehicle inspector who is primarily responsible for the operation of taxicabs. She testified that over 1,000 cabs serve the Los Angeles Airport and about 900 are available to serve Koreatown. Cabs are never more than 15 minutes away from this area of Los Angeles. Cabs at the airport operate under regulations that are enforced. They park in holding areas after dropping off passengers and remain in line until released by a starter, one vehicle at a time. The airport is also served by vans and buses that cover all of the greater Los Angeles area. The airport is saturated with passenger carrying vehicles and there is already a surplus of service. The witness stated that cab service may be more efficient and less expensive than the service proposed by the applicant. Taxi fare

from Koreatown to the Los Angeles Airport is \$24.00, and the fare remains the same for from 1 to 6 passengers. Applicant will be charging \$12.00 per passenger (applicant's witness then advised that applicant would be willing to charge additional passengers \$5.00).

Discussion

A grant of authority should be based on a public need for the proposed service. This applicant will transport the Korean-speaking segment of the public who reside in the area to be served. Applicant does not seek the broad authority requested by most petitioners and he is uniquely qualified to serve those with whom he is most familiar.

Vans and taxis operate where he will serve, but this is no basis for denying the application (Application Il-Sung Ko, dba Taeguk Airport Service (1988), A.88-03-057, D.88-08-037, dated August 24, 1988). The Commission favors regulated competition as a means of ensuring the least expensive, most efficient service. We therefore conclude that the certificate should be granted to the applicant.

Findings of Fact

1. Applicant has the ability, equipment, and financial resources to perform the proposed service.
2. Applicant will provide a bilingual service to those passengers within the service area who are non-English speaking.
3. There are currently few operators providing Korean-speaking drivers within the proposed service area.
4. Public convenience and necessity require the service proposed by applicant.
5. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

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 Woo Jin Kim, authorizing him 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-4414, to transport persons and baggage.
2. Applicant shall:
 - a. File a written acceptance of this certificate within 30 days after this order is effective.
 - b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.
 - c. State in his tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; and make timetables and tariffs effective 10 or more days after this order is effective.
 - d. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.
 - e. Maintain accounting records in conformity with the Uniform System of Accounts.
 - f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code § 403 when notified by mail to do so.

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

4. Applicant is authorized to begin operations on the date that the Executive Director mails a notice to applicant that he 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 becomes effective 30 days from today.

Dated DEC 19 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 Weissert, Executive Director

T/MEE/jd

Appendix PSC-4414

Woo Jin Kim

Original Title Page

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-4414

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 12 065, dated
DEC 19 1988 of the Public Utilities Commission of the
State of California in Application 88-06-005.

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

Woo Jin Kim by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers and their baggage on a door-to-door, on-call basis between points in Los Angeles City (Koreatown), described in Section 2, and Los Angeles International Airport (LAX), over and along the route described, subject, however, to the authority of this Commission to change or modify the route at any time and subject to the following provisions:

- (a) Motor vehicles may be turned at termini and intermediate points, in either direction at intersections of streets or by operating around a block contiguous to such intersections, in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction, they apply to operations in either direction unless otherwise indicated.
- (c) The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which the authorized door-to-door, on-call service will be provided.
- (d) No passengers shall be transported except those having a point of origin or destination at LAX.
- (e) This certificate does not authorize the holder to conduct any operation on the property of or into any airport unless such operation is authorized by both this Commission and the airport authority involved.

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Appendix PSC-4414

Woo Jin Kim

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SECTION 2. SERVICE AREA DESCRIPTION

KOREATOWN

Beginning at the intersection of Crenshaw Boulevard and Wilshire Boulevard, then going west along Wilshire Boulevard to Rossmore, then going north along Rossmore to 3rd Street, then east along 3rd Street to Union Avenue, then south along Union Avenue to Washington Boulevard, then west along Washington Boulevard to Crenshaw Boulevard, then north along Crenshaw Boulevard to its intersection with Wilshire Boulevard.

SECTION 3. ROUTE DESCRIPTION

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

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