

Decision 88 12 066

DEC 19 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
Wanted

In the Matter of the Application of )  
Bay Area SuperShuttle, Inc. for )  
authority to provide on-call and )  
scheduled service between San )  
Francisco International Airport and )  
San Jose and points in San )  
Francisco, San Mateo and Santa Clara )  
Counties, and to establish a zone of )  
rate freedom from all service )  
points. )

DEC 19 1988

Application 88-05-037  
(Filed May 17, 1988;  
amended October 12, 1988  
and October 31, 1988)

Thomas J. MacBride, Jr., and Steven C.  
Kirby, Attorneys at Law, for Bay Area  
SuperShuttle, Inc., applicant.  
Clifford Orloff, for Airport Limousine  
Service of Sunnyvale, Inc., protestant.  
Alfred Arnaud, for Associated Limousine,  
interested party.  
Robert L. Strauss and James Panella, for  
the Transportation Division.

OPINION

By amended application, applicant Bay Area SuperShuttle, Inc., requests a certificate of public convenience and necessity authorizing it to extend its current on-call passenger stage service to serve between the San Francisco International Airport (SFO) and the San Jose Airport (SJC) and points in San Francisco, San Mateo, and Santa Clara Counties. Applicant also requests that the Commission establish for applicant a zone of rate freedom (ZORF) in the requested operation. Notice of the filing of the application and amended application appeared in the Commission Daily Calendar of, respectively, May 23, 1988 and October 14, 1988. Several written protests to the extension of authority were received but were either withdrawn or the protestants did not appear at the hearing, prompted by applicant's October 12, 1988.

amendment to the application which deleted its request for scheduled service. The only protestant appearing at the hearing, Airport Limousine Service of Sunnyvale, Inc., withdrew its protest at the hearing and stated that it believed there was a need for applicant's proposed on-call service.

Applicant currently operates an on-call passenger stage service between San Francisco and SFO. It operates approximately 100 radio-equipped van type vehicles in such service. For the year ending December 31, 1987 it had operation revenues of approximately \$7 million and net income of approximately \$500,000. As of that date it had a net worth of approximately \$950,000.

The Manager of the Hyatt Regency in Burlingame testified in support of the application. He stated that he knew of no passenger stage service between the airports and his hotel, but that there was a need for service between the airports and the area in which his hotel is located.

Applicant submitted letters from the Chambers of Commerce of Palo Alto, San Mateo, and Foster City, all of which spoke in support of the application and the need for service from and to their cities.

Applicant introduced a letter from the Director of San Francisco Airports of the Airports Commission which was written on the subject of the herein application. In his letter, the Director of Airports stated that "I believe on-demand service is needed and will be well used by these communities providing alternatives to the private auto."

The Administrative Director of Yellow Cab and Yellow Airport Shuttle appeared and testified that the proposed service was needed.

The staff witness testified that three of the protestants which had withdrawn their protests serve between SFO, SJC, and the three involved counties. The witness stated that the staff objected to the granting of part of the application because of the

inordinately high rates proposed. The staff witness believed that the public would not pay such high rates but would seek alternate means of transportation to and from the airports. The rates objected to concerned service between applicant's designated Area VII, which is around San Jose, and SFO and all the proposed rates to and from SJC. The former rates ran between \$50 and \$70 and the latter rates between \$70 and \$90. To satisfy the staff's objection, applicant amended its proposed rates for Area VII to \$45 for the first person and \$8 for each additional person in one party. The other objected to rates were reduced to between \$40 and \$50 and \$10 for each additional person. Applicant's other proposed rates between the new extended area (except Area VII) and SFO run between \$6 and \$18, depending on the distance, and \$4 to \$14 for each additional person, also depending on distance.

Applicants requested ZORF is between and including \$2 below and \$2 above its proposed fares except that it desires to retain the previously authorized ZORF of between \$7 and \$10 previously authorized by Decision (D.) 88-01-008 in its SFO-San Francisco service.

As the hearing concluded, applicant moved, pursuant to Rule 77.1 of the Commission's Rules of Practice and Procedure, that the filing of a proposed decision and the filing of comments on that proposed decision be waived. None of the parties objected to the granting of the motion. The Administrative Law Judge granted the motion.

Findings of Fact

1. Applicant requests a certificate of public convenience and necessity authorizing it to conduct on-call passenger stage service between SFO and SJC and points in San Francisco, San Mateo, and Santa Clara Counties.

2. Applicant also requests that a ZORF be established for it of between and including \$2 above and \$2 below its proposed rates

and that it be permitted to keep its ZORF established in D.88-01-008.

3. Applicant currently operates a passenger stage service in vans between San Francisco and SFO.

4. Applicant operates approximately 100 radio-equipped van type vehicles.

5. As of December 31, 1987 applicant had a net worth of approximately \$950,000.

6. Written and oral testimony concerning the need for the proposed service were presented at the hearing.

7. A letter from the Director of Airports of the San Francisco Airport Commission stated that he believed an on-demand service is needed and will be well used by persons in the communities applicant proposes to serve.

8. Public convenience and necessity require the granting of the application.

9. Applicant is fit, willing, and able to conduct the proposed service.

10. In the conduct of its present and proposed operation, applicant will experience competition from private automobiles and Commission regulated passenger stage corporations.

11. Competitive pressure in the market in which applicant proposes to serve will keep fares competitive with respect to market demand, changing market conditions in a timely manner, while maintaining sufficient operating ratios.

12. The competitive transportation services fall under the purview of § 454.2 and will result in reasonable rates when considered along with the proposed ZORF.

13. The granting to applicant of an exemption to the long- and short-haul provisions of Public Utilities (PU) Code § 460 in respect to the established ZORF is appropriate in this case.

14. It can be seen with certainty that there is no possibility that the activities in question may have a significant effect on the environment.

Conclusions of Law

1. The application, with the fares as amended in the hearings, should be granted.
2. Before applicant changes any ZORF fares, its should first file such fares with the Commission on 10 days' notice.
3. The filing of ZORF fares should be accompanied by a tariff amendment which shows for each ZORF point, the high and low ends of the ZORF as well as the then currently effective rate. 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 Bay Area SuperShuttle, Inc., a corporation, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between points set forth in Appendix PSC-1298, 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 90 days after this order is effective.
  - c. State in its tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; make timetables and tariffs effective 10 or more days after this order is effective; and show thereon the allowable limits of the ZORF granted

by this order for each point of its authorized service.

- 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. The certificate of public convenience and necessity granted in paragraph 1 shall supersede that granted by D.85-08-077. That certificate is revoked on the effective date of the tariff filings required by paragraph 2.b.

5. A zone of rate freedom (ZORF) between and including \$2 above and \$2 below the passenger stage operating fares proposed by applicant in Application (A.) 88-05-037 as amended at the hearing on October 31, 1988 is established for applicant to cover operations proposed herein to and from the San Jose Airport and between the San Francisco International Airport (SFO) and the Counties of Santa Clara and San Mateo.

6. The ZORF established by D.88-01-008 is extended to apply to operations authorized herein between San Francisco and the SFO.

7. Applicant may change fares within its ZORF only by first amending its tariff on no less than 10 days' notice to include such rates, showing the high and low end of its ZORF as well as its then currently effective rate.

8. In addition to posting and filing tariffs, applicant shall post a printed explanation of its fares in its vans and

terminals. The notice shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

9. Applicant is relieved from the provisions of the long- and short-haul requirement of PU Code § 460 only where the charging of any rate within its published ZORF could otherwise be forbidden by PU Code § 460.

10. These authorities shall expire unless accepted within 30 days after the effective date of this order.

11. The application is granted.

12. The granting of applicants motion by the Administrative Law Judge that the filing of a proposed decision and comments thereon be waived is affirmed.

This order is effective today.

Dated December 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 Weissler, Executive Director

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC-1298

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Showing passenger stage operative rights, restrictions,  
limitations, exceptions, and privileges.

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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.

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Issued under authority of Decision 88 12 066, dated  
DEC 19 1988, of the Public Utilities Commission of the State of  
California in Application 88-05-037.



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Issued by California Public Utilities Commission.

Decision 88 12 066, Application 88-05-037.

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

SuperShuttle of San Francisco, 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 their baggage between points in the Counties of San Francisco, San Mateo, Santa Clara on the one hand and the San Francisco International Airport and the San Jose Airport, on the other hand, subject, however, to the authority of this Commission to change or modify this authority 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 operation in either direction unless otherwise indicated.
- c. No passengers shall be transported except those having point of origin or destination at the airports listed above.
- d. This certificate does not authorize the holder to conduct any operations on the property of or into any airport unless such operations are authorized by both this Commission and the airport authority involved.

Issued by California Public Utilities Commission.

Decision 88 12 066, Application 88-05-037.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,  
AND SPECIFICATIONS. (Continued)

- e. The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs shall show the conditions under which authorized on-call service shall be rendered.

Issued by California Public Utilities Commission.

Decision 88 12 066, Application 88-05-037.

SECTION 2. SERVICE AREA.

S.F. Service Area: The incorporated City and County of San Francisco.

Service Areas 1 through 7 are outlined by U.S. Postal Service zip code designations as established on 11/1/88.

Service Area 1: 94005, 94014, 94015, 94016,  
94017, 94044, 94066, 94080,  
94128

Service Area 2: 94010, 94030

Service Area 3: 94002, 94401, 94402, 94403,  
94404

Service Area 4: 94061, 94062, 94063, 94064,  
94065, 94070

Service Area 5: 94025, 94303

Service Area 6: 94301, 94304, 94305, 94306

Service Area 7: 94022, 94040, 94043, 94086,  
94087, 94088, 94089, 95002,  
95008, 95013, 95014, 95035,  
95042, 95044, 95050, 95051,  
95053, 95054, 95070, 95103,  
95110, 95111, 95113, 95116,  
95117, 95118, 95119, 95120,  
95121, 95122, 95123, 95124,  
95125, 95126, 95127, 95128,  
95129, 95130, 95131, 95132,  
95133, 95134, 95136, 95138,  
95139, 95143, 95148, 95192,  
95193

Service will also be provided between San Francisco International Airport and San Jose International Airport.

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Decision 88 12 066, Application 88-05-037.

terminals. The notice shall be posted at least 5 days before the effective date of the fare changes and shall remain posted for at least 30 days.

9. Applicant is relieved from the provisions of the long- and short-haul requirement of PU Code § 460 only where the charging of any rate within its published ZORF could otherwise be forbidden by PU Code § 460.

10. These authorities shall expire unless accepted within 30 days after the effective date of this order.

11. The application is granted.

12. The granting of applicants motion by the Administrative Law Judge that the filing of a proposed decision and comments thereon be waived is affirmed.

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  
C. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners