

Decision 89 04 007

APR 12 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Universal Transit System, Inc. for a)
 certificate of public convenience and)
 necessity to operate as a passenger)
 stage corporation on an on-call)
 basis between the Counties of Los)
 Angeles and Orange on the one hand,)
 and Burbank Airport, John Wayne)
 Airport, Long Beach Airport, Los)
 Angeles Amtrak Station, Los Angeles)
 International Airport, Ontario)
 International Airport, and Port of)
 of Long Beach, on the other hand.)

Mailed

APR 13 1989

Application 88-07-047
 (Filed July 25, 1988;
 amended September 2, 1988
 and October 28, 1988)

OPINION

Applicant Universal Transit System, Inc., a California corporation, requests authority under Public Utilities (PU) §§ 1031 et seq. to establish and operate a passenger stage corporation for the transportation of passengers and baggage on an on-call basis between all points within the Counties of Los Angeles and Orange, on the one hand, and Burbank Airport, John Wayne Airport, Long Beach Airport, Los Angeles Amtrak Station, Los Angeles International Airport, Ontario International Airport, and Port of Long Beach, on the other hand.

Notice of filing of the application appeared in the Commission's Daily Calendar on July 28, 1988. An amended application was filed by applicant on September 2, 1988 which appeared in the Commission's Daily Calendar of September 6, 1988. A second amendment to the application was filed on October 28, 1988 and appeared in the Commission's Daily Calendar on November 2, 1988. A protest to the application was filed by the City of Los Angeles Department of Transportation (LADOT) on August 10, 1988.

Applicant proposes to operate an "on-call" service 24 hours per day, seven days per week on not less than four hours' advance notice for its secured reservations. Applicant will endeavor to provide, but cannot guarantee, "on-call" service on less than four hours' advance notice. On major holidays, on-call service shall be rendered on not less than 24 hours' advance notice to applicant for secured reservations although applicant will endeavor to provide, but cannot guarantee, on-call service on major holidays on less than 24 hours' advance notice.

Applicant intends to perform the proposed service in late model 7-passenger Dodge vans which will be air-conditioned and fully equipped with radio equipment. Applicant will equip at least one van with a wheelchair lifting device to accommodate passengers who are handicapped. It is applicant's intention to purchase 25 such vans within the first 12 months of operation if this application is granted.

Applicant alleges that it will establish and maintain complete maintenance and storage facilities with 24-hour per day seven-day-per-week maintenance personnel in connection with the proposed service. The location of such facility has not yet been determined. The fare structure between the points of origin and points of destination throughout the service areas will vary according to the postal zip code or airport where the passenger boards and the deboarding point. Depending upon the boarding point and destination, fares will range from a low of \$5 to a high of \$75 depending on the zip code and the area where the passenger boards. Senior citizens will be offered a 10% discount from the standard charges. When additional affiliated passengers are transported at the same time in the same vehicle from the same address to the same terminal or from the same terminal to the same city address, the affiliated passenger will be required to pay \$6 if the first passenger fare is \$25 or less, and \$8 if the first passenger fare is \$26 or more. Applicant intends to make a maximum number of

three stops in connection with any single run. The pro forma balance sheet contained in the application shows total assets of \$15,000 and total liabilities including stockholder's equity of \$15,000. The balance sheet of Carl Melvin, president of Universal Transit System, Inc., shows total assets of \$665,373 and total liabilities of \$16,592 for a total net worth of \$648,781.

Applicant alleges that public convenience and necessity require the proposed service for the following compelling reasons:

1. At the present time, there is a limited service of the type proposed available to the public from Orange and Los Angeles Counties to several of the points sought in the application. For example, applicant believes that there is no shuttle service presently serving the Los Angeles Amtrak Station and that several other points sought are served by only a few existing shuttle services.
2. At a time when all indications are that traffic density within the greater Southern California area will reach crisis proportions within the very near future, applicant's proposed service, fundamental to which is the share-ride concept, will contribute to a reduction in congestion on the streets and highways, as well as within the terminal complexes applicant seeks to serve. Furthermore, improved air quality caused by a reduction of personal or individual passenger vehicles traversing through and within the proposed service area will also result if the service proposed is authorized.
3. Applicant's proposed service has other features which, to applicant's knowledge, are unique to it and not made available by existing shuttle services. For example, applicant will equip at least one of its vans with a wheelchair lift device to facilitate travel for handicapped passengers and is prepared to add more such devices as need dictates.

4. Applicant desires to provide dependable, inexpensive, demand-responsive transportation for individuals or groups in a geographical area, at least portions of which are presently suffering from a paucity of such transportation.

For these reasons, applicant respectfully submits that the proposed service is consistent with the public convenience and necessity and will further enhance the same.

Protest of LADOT

The crux of the protest of LADOT is that the application fails to make a showing that the proposed operation is required by public convenience and necessity and that there is no indication in the application that sufficient passengers will be carried to make the proposed application financially viable. LADOT also alleges that the residents and visitors of the City of Los Angeles are injured by the excessive number of companies providing on-call, door-to-door service to and from LAX because the finite number of passengers is spread among the numerous vans. LADOT further alleges that the reduced load factor will result eventually in higher fares, the excess vehicles cause congestion at LAX, and the numerous companies create confusion for the public as well as enforcement difficulties.

LADOT indicates that at a hearing it will present evidence that the additional small vehicles at LAX will add to traffic congestion and enforcement problems at LAX, and that there is no need for additional public transportation service to and from the LAX or Amtrak Station. Through cross-examination of applicant's witnesses LADOT hopes to show that applicant is neither financially nor technically qualified to operate a passenger stage service to serve the proposed areas.

Discussion

No protests have been filed by potential competitors of applicant. The only protest is by LADOT, whose jurisdiction is

limited to the City of Los Angeles. The applicant seeks to serve Burbank Airport, Orange County, Ontario International Airport, Long Beach Airport, the Port of Long Beach, and John Wayne Airport, among others. All these destinations are outside the city limits of Los Angeles and the protestant presumably has no authority to or interest in protesting applicant's proposal to serve these areas. In addition to these destinations, applicant proposes to serve numerous points originating outside protestant's area of jurisdiction, which applicant alleges have little or no on-call van service now.

Further, protestant notes that the Commission has not previously approved services to and from the Los Angeles Amtrak Station but goes on to say that no need has been demonstrated. We believe an offer to serve a previously unserved area demonstrates a de facto need for service.

Lastly, we observe, as we did in Decision 87-10-084 that what LADOT is really protesting is increased service to LAX. However, the congestion and number of transportation vehicles operating on the property of LAX is not the responsibility of LADOT but of the Department of Airports, which grants permits to taxicabs, buses, private for-hire vehicles, shuttle service, etc. That department has not filed any protest to this application. We are concerned that LADOT, which does supervise taxicab operations, is primarily concerned with the competition that the proposed service may offer to the City of Los Angeles' franchised taxicab operations which could possibly have an impact on the revenues derived by the City.

Our primary concern, on the other hand, is in seeing that the public convenience and need are satisfied by providing a broad array of transportation services from which the consuming public can choose. In determining whether a need exists for such services, we evaluate not only the destination (which may be well served) but the points of origin, which are generally diffuse and

frequently unserved or underserved. Applicant proposes to offer services to previously unserved areas. Applicant also proposes to provide at least some wheelchair accessible services and to increase these if demand warrants. Applicant proposes to offer senior discounts. We find this a sufficient indication of public need for such services in the absence of any facts alleged by a protestant indicating that there is no need. Applicant shows a balance sheet with no liabilities and projects a profit of \$854,000 for the first year's operation. In view of this showing, and in view of the fact that the protest is devoid of specific facts which would require public hearing, we will find that the applicant is financially able to undertake the proposed service and that it has shown sufficient public need for the service.

Findings of Fact

1. Applicant has the ability, equipment, and financial resources to perform the proposed service.
2. A protest to the application was filed by LADOT.
3. LADOT routinely protests every application for passenger stage authority to operate at LAX.
4. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
5. LAX is but one terminal point among many being sought by applicant.
6. The rates proposed in the application are reasonable.
7. In accordance with Rule 8.2 of the Commission's Rules of Practice and Procedure, a public hearing is not necessary.

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 Universal Transit System, Inc., a corporation, authorizing it 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-4986, to transport persons, baggage, and/or express.

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 its 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 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.

6. The protest of the City of Los Angeles Department of Transportation is denied.


This order becomes effective 30 days from today.

Dated APR 12 1989, at San Francisco, California.

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

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

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


Victor Weiss, Executive Director

VB

T/MEE/ebi

Appendix PSC-4986 UNIVERSAL TRANSIT SYSTEM, INC. Original Title Page

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-4986

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 89 04 007, dated
APR 12 1989, of the Public Utilities Commission of the
State of California in Application 88-07-047.

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Issued by California Public Utilities Commission.

Decision 89 04 007, Application 88-07-047.

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

Universal Transit System, Inc., 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 an on-call, door-to-door basis, between points in the counties of Los Angeles and Orange, and Los Angeles International Airport (LAX), Burbank Airport (BUR), John Wayne Airport (SNA), Ontario International Airport (ONT), Long Beach Airport (LGB), Los Angeles Amtrak Station, Port of Long Beach, over and along the routes described in Section 3, subject, however, to the authority of this Commission to change or modify the routes at any time and subject to the following provisions:

- (a) 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.
- (b) When route descriptions are given in one direction, they apply to operations in either direction unless otherwise indicated.
- (c) No passengers shall be transported except those having a point of origin or destination at LAX, BUR, ONT, LGB, SNA, Long Beach Harbor or Los Angeles Amtrak Station.
- (d) 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 each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.
- (e) 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.

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SECTION 2. SERVICE AREA DESCRIPTION.

LOS ANGELES COUNTY

Includes all points within the geographical limits of Los Angeles County.

ORANGE COUNTY

Includes all points within the geographical limits of Orange County.

SECTION 3. ROUTE DESCRIPTIONS.

Commencing at any point within the authorized service area described in Section 2, then via the most convenient streets and highways to LAX, BUR, SNA, ONT, Los Angeles Amtrak Station or Port of Long Beach.

Issued by California Public Utilities Commission.

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