

Decision 90 06 007 JUN 06 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WOO JIN KIM, dba SEOUL SHUTTLE, for)
a certificate of public convenience)
and necessity to extend his passenger)
stage service between points in the)
Los Angeles County and LAX Airport.)

ORIGINAL
Application 89-10-041
(Filed October 24, 1989)

William A. Turkish, Attorney at Law, for Seoul Shuttle, applicant.
S.E. Rowe, by K. D. Walpert, for Department of Transportation, City of Los Angeles, protestant.
MacDonald Ebi Esule, for Transportation Division.

O P I N I O N

Woo Jin Kim, doing business as Seoul Shuttle (Shuttle or applicant), operates a passenger stage corporation out of Los Angeles. Applicant holds a certificate of public convenience and necessity (CPCN) authorizing him to provide on-call, door-to-door service between certain areas in Los Angeles County, and Los Angeles International Airport (LAX).

By this application, Shuttle seeks to expand the authority for on-call, door-to-door service between the greater Los Angeles area (approximately bounded by Burbank on the north, South Pasadena and East Los Angeles on the east, Culver City and Playa Del Rey on the south, and Santa Monica and Brentwood on the west) and LAX, Burbank Airport, and the Los Angeles Amtrak Station. Shuttle proposes one-way fares ranging from \$8 to \$25, with a 10% discount to seniors and children between six and 12 years of age, and no charge for children under six, as shown in revised Exhibit B-1 attached to the application.

The application was protested by the City of Los Angeles Department of Transportation (LADOT).

A public hearing was held before Administrative Law Judge William R. Stalder in Los Angeles on January 29, 1990. The matter was submitted subject to receipt of transcript and a late-filed exhibit.

Evidence

Shuttle

Shuttle argues that the expanded service is needed for the following reasons:

1. A larger area of service would provide economics of scale, allowing for improved and less expensive service to the public.
2. The larger area of service would allow Shuttle to more effectively compete.
3. The proposed type of service is popular with the public, efficient, lower cost than limousines and taxis, and more convenient than buses.

Shuttle notes that it is experienced in passenger stage service and has provided safe and reliable service under its existing authority. Shuttle believes that authorizing the expanded service will increase competition and create a freer, more competitive climate in keeping with Commission policy.

Shuttle's owner Kim has a net worth of approximately \$173,000 as of December 31, 1989, according to revised Exhibit C. Shuttle currently operates on-call, door-to-door service 7 days a week, 10 hours a day (8 a.m. to 6 p.m.), 365 days a year, using two 6-passenger vans. The proposed service will use those vans with the addition of three 7-passenger, and two 15-passenger vans. Kim testified that the current service is not profitable owing to its limited size, but that the expansion proposed is expected to make the operation profitable.

Kevin Chang, General Manager of Shuttle, testified that Shuttle has been operating since April 1989, limited to service between the Los Angeles area known as Koreatown, and LAX. Because

of this limited area, and competition within it, the service is not currently profitable. Shuttle has Korean-speaking drivers, who are of assistance to Koreans with limited fluency in English. Chang estimates that the Korean population of Koreatown is about 200,000, that the Korean population in other greater Los Angeles areas Shuttle proposes to serve is an additional 300,000, which demonstrates a demand for the proposed service.

Chang acknowledges that Shuttle has had problems with its drivers going to areas beyond those authorized in the current CPCN, resulting in citations at LAX. However, Chang believes that the improved profitability of the expanded service will make it feasible to use dispatchers to monitor LAX operations and prevent such problems in the future.

Applicant is aware that the Los Angeles Department of Airports (LADOA) has an interim moratorium in effect to allow it time to study the congestion problem at LAX. The interim moratorium prohibits LADOA from issuing permits to new carriers, and to existing permittees for additional vehicles. The interim moratorium does not restrict expanded service for existing permittees delivering people to LAX, or to picking up passengers at LAX if advance notice is given to LAX authorities.

Kim testified that he will purchase five additional vans if granted a CPCN, despite the moratorium at LAX, since he can operate at Burbank Airport and Amtrak, and can drop off passengers at LAX. While he believes that this operation will be profitable, Kim is attempting to obtain an exemption from the interim moratorium for his proposed service to allow normal operations at LAX.

Three persons who have used Shuttle testified at the hearing.

- Yoo testified that he is a resident of Koreatown and has used Shuttle four or five times in the past year. He has found the service to be satisfactory and enjoyed having Korean-speaking drivers, even though

he is fluent in English. His relatives have also used Shuttle when visiting from Korea. Yoo has Korean friends living in many of the areas proposed to be served, and believes the expanded service is needed.

- Cho testified that he lives in Koreatown. On the occasions he has used Shuttle, he has found the service to be satisfactory, and recommends it to friends.
- Yu has used Shuttle twice and has also found the service to be satisfactory.

LADOT

LADOT opposed the application since the interim moratorium currently in effect requires the Los Angeles City Attorney to oppose all new passenger stage corporation applications before the Commission, except for scheduled bus services, for the duration of the moratorium period. LADOT provided no witnesses.

Commission Transportation Division (TD)

TD reviewed the application, supports Shuttle's request, and prepared a draft certificate authorizing the service requested.

Discussion

In this application Shuttle seeks authority to expand its service from a limited portion of Los Angeles known as "Koreatown" to the greater Los Angeles area. LADOT protests the proposed service. No other carriers protest applicant's request to serve the area proposed.

The Commission considers seven factors in determining whether public convenience and necessity has been shown:

1. Public need 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.
(Decision 82-07-084 dated July 21, 1982 in Application (A.) 60864 and A.82-02-068.)

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

The evidence presented by Shuttle will support a finding of public convenience and necessity.

There is a public need for the expanded service, both in the Korean community and in the general community.

The existing service is not adequate in the areas of proposed service. To the extent there is existing service, we have no evidence that it offers Korean-speaking drivers. While not all of Shuttle's drivers will speak Korean, applicant alleges that some will, to the benefit of those Korean customers who have limited English fluency. Although others use the service, the large Korean population in the proposed service area should result in significantly increased ridership on Shuttle.

The proposed service will complement Shuttle's existing service by adding economies of scale and improving utilization of vehicles and employees. The expanded service area should improve both the profitability and the control of Shuttle's operations, especially at LAX where Shuttle's drivers have been cited for unlawful practices. We encourage Shuttle to exercise diligence in monitoring its LAX operations to eliminate the violations by its drivers.

Applicant has demonstrated that the proposed service is technically feasible.

Shuttle has demonstrated through its existing satisfactory service that it is technically qualified to provide the proposed service.

Shuttle has demonstrated the financial ability to conduct the proposed service.

The proposed service should provide an opportunity for Shuttle to make its overall operations profitable.

The purpose of the interim moratorium at LAX is to allow the LAX Landside Operations Bureau time to study the congestion problem and implement solutions. We appreciate the congestion problem at LAX, and will require Shuttle to abide by all LAX requirements, as we normally require of similar applicants.

If we were to deny the requested authority because of the interim moratorium, Shuttle would have to again file for authority with the Commission after it ends, which would result in unnecessary delays. Applicant believes the requested service expansion can operate profitably under the constraints of the interim moratorium. Therefore, we will not deny the public new service, to which adequate showing of public need has been demonstrated by Shuttle. The application should be granted.

The parties request that the provisions of Public Utilities (PU) Code § 311 be waived.

Findings of Fact

1. Shuttle requests authority to expand its on-call, door-to-door service to between the greater Los Angeles area (approximately bounded by Burbank on the north, South Pasadena and East Los Angeles on the east, Culver City and Playa Del Rey on the south, and Santa Monica and Brentwood on the west) and LAX, Burbank Airport, and the Los Angeles Amtrak Station.

2. Shuttle currently offers on-call, door-to-door service between Koreatown and LAX.

3. Shuttle has the experience and financial ability to perform the proposed service.

4. Shuttle has demonstrated a need for the service proposed in its application.

5. An interim moratorium is in effect at LAX, which restricts new and expanded passenger stage authority at LAX. The interim moratorium does not affect dropping off passengers at LAX, or to picking up passengers after advance notification of LAX authorities.

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

7. The parties request that the provisions of § 311 be waived.

Conclusions of Law

1. Public convenience and necessity have been demonstrated and the application should be granted as set forth in the order.

2. The order should be effective on the date signed because public convenience requires prompt commencement of the proposed service.

3. The provisions of § 311 should be waived.

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, dba Seoul Shuttle, 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 First Revised

Page 2 and First Revised Page 3 of Appendix PSC-4414 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 his 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 101, 104, and 158, 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. Before beginning service to any airport, applicant shall notify the airport's governing body. Applicant shall not operate into or on airport property unless such operations are also authorized by the airport's governing body.

4. Applicant is authorized to begin the expanded operations on the date 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 provisions of § 311 are waived by agreement of the parties.

6. The application is granted as set forth above.

This order is effective today.

Dated JUN 06 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OCHANIAN
PATRICIA M. ECKERT
Commissioners

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


NEAL J. SHULMAN, Executive Director
PB

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, door-to-door, on-call basis between points in *Los Angeles (LA) County, described in Section 2, and LA International Airport (LAX), 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) *(Deleted)
- (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 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.
- (d) No passengers shall be transported except those having a point of origin or destination at LAX, BUR or LA Amtrak Station.
- (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 the airport's governing body.

Issued by California Public Utilities Commission.

*Revised by Decision 90 06 007, Application 89-10-041.

SECTION 2. SERVICE AREA DESCRIPTION

All points within the *geographical limits of the Cities of South Pasadena, Pasadena, Glendale, Burbank, Beverly Hills, Santa Monica, West Hollywood and Culver City; and the following zip code communities:

<u>Community</u>	<u>Zip Code</u>
Koreatown (LA)	90005, 90006, 90020, 90057, 90017
*City of LA	90005, 90006, 90007, 90010, 90012, 90013, 90014, 90015, 90016, 90017, 90018, 90019, 90020, 90021, 90026, 90057, 90071; 90004, 90028, 90029, 90036, 90038, 90048, 90069; 90027, 90039, 90046, 90068; 90031, 90032, 90033, 90065; 90041, 90042; 90024, 90049, 90077; 91604; 91601, 91602, 91603, 91605, 91606, 91607; 90291, 90293
*Marina Del Rey	90292
*East Los Angeles	90023, 90063, 90022
*Universal City	91608

The City of Los Angeles zip codes generally include, but not limited to the communities of Downtown Los Angeles, Eagle Rock, Hollywood, Los Felix, Bel-Air Estates, Mid Wilshire, Brentwood, Westwood, Windsor Hills, West Los Angeles, Venice, Studio City, North Hollywood, and the previous service territory of Koreatown(LA).

SECTION 3. ROUTE DESCRIPTIONS

ON-CALL, DOOR-TO-DOOR SERVICE

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

Issued by California Public Utilities Commission.

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