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Decision 91-01-027 January 25, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of James Kahng, dba Rainbow Shuttle, for authority to operate a passenger stage corporation between points in Los Angeles County and LAX Airport and Burbank Airport. Application 90-04-017 (Filed April 12, 1990)

OPINION

James Kahng, doing business as Rainbow Shuttle (applicant), requests authority under Public Utilities Code § 1031 for a certificate of public convenience and necessity to establish and operate a passenger stage corporation between certain points in Los Angeles County and Los Angeles International Airport (LAX) and Burbank Airport.

Applicant provided personal service of its application to government agencies and potential competitors as required by Commission Rules of Practice and Procedure, Rule 21. Notice of the application appeared on the Commission Daily Calendar on April 17, 1990.

Applicant proposes to provide on-call, door-to-door bus service on a twenty-four hour, seven-days-a-week basis. A 24-hour prior request to guarantee door-to-door service is required. Applicant provides a map of its proposed route, postal zip codes of proposed areas to be served, proposed fares, and governing regulations in Exhibits A, A-1, and B.

Applicant contends the proposed service is different and distinct from existing services because it will target, but not limit, the service to Korean speaking members of the public who do not speak English. Applicant asserts that the proposed service is not controversial and would not conflict with any existing services.

since it is specialized and will be offered in a small area.
Applicant contends that such a service is needed.

Applicant proposes to use two 1989 and two 1990 7-passenger Dodge vans to provide service. These vans are fully automatic and air-conditioned luxury models. Applicant will have these or any other vehicles used to provide service covered by liability insurance in amounts which exceed the minimum General Order 101-C requirement of \$750,000 per van. These vehicles will be garaged, serviced, and maintained at applicant's principal address primarily by employees of applicant and by outside firms where needed. Applicant has two years' experience with a passenger stage carrier.

Applicant's balance sheet ending March 25, 1990 shows \$30,000 cash on hand and a net worth of \$43,000. Applicant projects net income before taxes after one year of operation of \$63,257.

Applicant contends that the proposed service will have no significant adverse effect on the environment since it will reduce vehicles on the highways.

Applicant subsequently made corrections to its zip code route directory and certain entries on its balance sheet as requested by the Transportation Division (TD) which do not change its financial ability. With these corrections, TD does not oppose the granting of the application.

On April 30, 1990, LAX filed a protest to the application requesting that it be denied because of the existence of 30 other passenger stage carriers serving the same areas, including door-to-door and demand service. LAX contends the high traffic volume in the proposed service areas does not justify another carrier and that severe traffic congestion and the accompanying problems of illegal parking, soliciting, and uninsured vehicles already exist on airport property. LAX contends that granting the application will have a detrimental affect on its existing moratorium in

issuing new airport carrier permits pending the completion of its airport study of the need and necessity for additional carriers.

Discussion

Applicant shows that it has the financial and technical resources and is qualified to operate the proposed service. As in the past, we are not willing to deny such a certificate where the application indicates a need for the proposed specialized service. Although LAX challenges the need, it provides no guidance in assessing the number of passenger stage carriers needed, if any such limit should be set. Our order authorizes airport service only upon the condition that the certificate holder obtains a permit from the airports where service will be provided. LAX has only to enforce its moratorium should it be in effect on the effective date of our order.

A public hearing in this matter is not necessary. The application should be granted.

Findings of Fact

1. Applicant has the ability, equipment, and financial resources to perform the proposed service.
2. Public convenience and necessity require the proposed service.
3. The rates proposed in the application are comparable with other similar services, therefore, are reasonable.
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. No protest to the application has been received from any public transit operator serving the territory applicant proposes to serve.

Conclusion of Law

Public convenience and necessity have been demonstrated and a certificate should be granted.

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 James Kahng, authorizing him to operate as a passenger stage corporation, as defined in Public Utilities (PU) Code § 226, between the points and over the routes set forth in Appendix PSC-6442 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 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 operations on the date that the Executive Director mails a notice to applicant that his evidence of insurance is 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 January 25, 1991, at San Francisco, California.

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

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


NEAL J. SULLIVAN, Executive Director
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Appendix PSC-6442

James Kahng

Original Title Page

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

AS A PASSENGER STAGE CORPORATION

PSC-6442

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 91-01-027, dated
January 25, 1991, of the Public Utilities Commission of the
State of California in Application 90-04-017.

I N D E X

		<u>Page</u>
SECTION 1.	GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS.....	2
SECTION 2.	SERVICE AREA DESCRIPTIONS.....	3
SECTION 3.	ROUTE DESCRIPTIONS.....	3

Issued by California Public Utilities Commission.

Decision 91-01-027, Application 90-04-017.

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

James Kahng, 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-call, door-to-door basis, between certain points in Los Angeles County, described in Section 2, and Los Angeles International (LAX) and Burbank (BUR) Airports, over and along the routes described in Section 3, subject, however, to the authority of this Commission to change or modify the route at any time and subject to the following provisions:

- (a) 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 the airport authority involved.
- (b) When route descriptions are given in one direction, they apply to operations in either direction unless otherwise indicated.
- (c) Only passengers originating from or destined to LAX or BUR shall be transported.
- (d) 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 the authorized on-call services 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.

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SECTION 2. SERVICE AREA DESCRIPTIONS

Los Angeles County

Includes all points within the geographical limits of the cities of Beverly Hills, Burbank, Culver City, Glendale, Santa Monica, West Hollywood and Inglewood (90302 only), and portions of the City of Los Angeles defined by the following postal zip codes:

90004, 90005, 90006, 90007, 90008, 90010, 90011, 90012,
90013, 90014, 90015, 90016, 90017, 90018, 90019, 90020,
90021, 90024, 90026, 90027, 90028, 90029, 90032, 90033,
90034, 90035, 90036, 90038, 90039, 90041, 90042, 90043,
90045, 90046, 90048, 90049, 90056, 90057, 90064, 90065,
90066, 90067, 90068, 90069, 90071, 90077, 90079, 90291,
90292, 90293, 91601, 91602, 91604, 91605, 91606, 91607,
91608.

(The above postal zip codes generally include but not limited to the communities of downtown Los Angeles, Koreatown, Hollywood, Marina Del Rey, Mid-Wilshire, Universal City, and West Los Angeles.)

SECTION 3. ROUTE DESCRIPTIONS

On-call, Door-to-door, Service

Commencing at LAX or BUR, then via the most convenient streets and highways to points within the service areas described in Section 2.

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