

ORIGINAL

Decision No. 86811

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CLIFFORD A. COLLINS and ARLENE K. JOHNSON, a copartnership, DBA AIRPORT LIMOUSINE SERVICE, for authority to operate as a passenger stage service between points in Los Angeles County and Los Angeles International Airport.

Application No. 56591
(Filed July 1, 1976)

Virant and deBrauwere, by John deBrauwere and Thomas J. L. Virant, Attorneys at Law, for applicant.
Gregory W. Spearing, for South Bay Transit Co., protestant.
John P. Mumaw and K. D. Walpert, for City of Los Angeles, interested party.
Richard O. Collins, for the Commission staff.

O P I N I O N

Clifford A. Collins and Arlene K. Johnson, a copartnership, doing business as Airport Limousine Service (Airport), seek an order of the Commission granting them a certificate of public convenience and necessity to operate as a passenger stage corporation pursuant to the provisions of Section 1031, et seq., of the California Public Utilities Code, and provide on-call service in luxury passenger limousines between Los Angeles International Airport (LAX) and Pacific Palisades Territory as delineated in Exhibits A and B to the application and between LAX and Palos Verdes Territory also delineated in Exhibits A and B to the application.

Public hearing was held before Examiner Johnson at Los Angeles on October 13, 1976 and the matter was submitted. Testimony was presented on behalf of Airport by one of the copartners and by a prospective user of the proposed service. Other parties to the proceeding participated through statements of position and/or cross-examination of Airport's witnesses.

The copartners are also doing business as Chauffeurs Unlimited, U.S.A. (Chauffeurs), a charter-party permitted carrier. Chauffeurs provides on-call charter-party service between LAX and Pacific Palisades Territory and between LAX and Palos Verdes Territory utilizing ten owner-operator limousines and four of its own seven-passenger limousines. According to the testimony, these latter four seven-passenger limousines will be used for the proposed passenger stage operation and additional vehicles will be acquired by Airport as needed.

The record shows that Airport proposes to provide on-call service in either direction between LAX and Pacific Palisades Territory and between LAX and Palos Verdes Territory between 6:00 a.m. and 1:00 a.m. (19 hours per day), seven days a week. The proposed fare as set forth in Exhibit C to the application is \$16 for one or two passengers from the same residence, \$12 per person for one passenger from each of two residences, and \$10 per person for one passenger from each of three residences. According to the testimony, the charter-party restrictions prohibiting the assessment of charges on an individual-fare basis often necessitate the simultaneous dispatch of two or three limousines to the same area, whereas under the proposed passenger stage operations one limousine would suffice. One of Chauffeurs' patrons testified that he presently pays \$16 each way for trips between his residence in Palos Verdes Territory and LAX and that he would utilize the passenger

stage service at its lower rates much more frequently than he presently utilizes the charter-party service. He further testified that when not utilizing Chauffeurs' service he drives his private car to the airport because, in his opinion, the local taxicab service is unreliable.

Protestant stated that the proposed operation would compete with his charter-party operations in the same area and would cause him to suffer loss of income. It is clear that the proposed service differs from protestant's service and that no service similar to the proposed operations presently exists.

We note that under the proposed tariffs the rates would be cheaper only if passengers from two or three residences utilize the limousine simultaneously and that the charter-party rate of Chauffeurs is the same as the proposed passenger stage rate of Airport where only one residence is involved. Such a rate structure could conceivably serve as a deterrent to full patronage of the passenger stage service and defeat the purpose of the formation of Airport. Consequently, we will authorize a uniform fare of \$12 per person as the individual fare rather than the sliding scale fare proposed in the application.

Airport has established that it has the financial responsibility and equipment to perform the proposed service by the submission of a balance sheet indicating that as of January 1, 1976 Chauffeurs had assets of \$132,630, total liabilities of \$49,200, and a net worth of \$83,430.

The city of Los Angeles recommended that any certificate granted be subject to the following three conditions: (1) only luxury limousines be used, (2) pick-ups be limited to fixed locations, and (3) the requirements of General Order No. 98-A relating to signs on vehicles be waived. With respect to this latter item, the record shows that Chauffeurs presently displays the identifying symbol required by Rule No. 10.05 of General Order No. 98-A but not the name as required by Rule No. 10.02 of the same order. Were the name of the carrier to be displayed, it might tend to encourage unauthorized solicitation of customers at LAX contrary to the intent of Chauffeurs' permit and Airport's requested certificate. Consequently, in the order that follows the requirement for the display of the name of the carrier will be waived as well as the requirements of Rules Nos. 10.03 and 10.04 relating to route and destination and non-stop signs.

Another question raised at the hearing was whether the picking up of passengers within a specified territory constituted the operation of any passenger stage over any public highway between fixed termini or over a regular route as contemplated in Sections 226 and 1031 of the Public Utilities Code. In this respect, it is noted that Section 1035 states in part:

"Any act of transporting or attempting to transport any person or persons by stage, auto stage, or other motor vehicle upon a public highway of this State between two or more points not both within the limits of a single city or city and county, where the rate, charge, or fare for such transportation is computed, collected, or demanded on an individual fare basis, shall be presumed to be an act of operating as a passenger stage corporation within the meaning of this part."

Clearly, the proposed operations of Airport fall within this section of the Public Utilities Code.

Findings

1. Applicant has the ability, including financial ability, to provide the proposed service.
2. There are no other passenger stage corporations that provide substantially the same service as or compete directly with applicant between the points in issue.
3. There are substantial differences between certificated passenger bus service and charter-party carrier of passengers service.
4. Public convenience and necessity require the proposed service.
5. Provisions of Sections 10.01 through 10.04 of General Order No. 98-A are not necessary or required in connection with the type of luxury limousine service proposed by applicant and should be waived.
6. The fare between LAX and Pacific Palisades Territory or Palos Verdes Territory should be \$12 per person rather than the sliding scale fare proposed in the application.
7. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions

The application should be granted to the extent and subject to the conditions provided in the order which follows.

Clifford A. Collins and Arlene K. Johnson, a copartnership, dba Airport Limousine Service, are placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature

may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Clifford A. Collins and Arlene K. Johnson, a copartnership doing business as Airport Limousine Service, authorizing them to operate as a passenger stage corporation between the points set forth in Appendix A of this decision.

2. In providing service pursuant to the authority granted by this order, applicants shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicants shall file a written acceptance of the certificate granted. Applicants are placed on notice that if they accept the certificate they will be required, among other things, to comply with the safety rules administered by the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98-Series, and the insurance requirements of the Commission's General Order No. 101-Series.
- (b) Within one hundred twenty days after the effective date of this order, applicants shall establish the authorized service and file tariffs and timetables, in triplicate, in the Commission's office in conformity with this decision.
- (c) The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the authorized service.

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Appendix A

Clifford A. Collins and
Arlene K. Johnson, a copartnership
dba AIRPORT LIMOUSINE SERVICE

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CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY

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

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 No. 86811
dated JAN 5 - 1977, of the Public Utilities
Commission of the State of California, in Application No. 56591.

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

Clifford A. Collins and Arlene K. Johnson, a copartnership dba Airport Limousine Service, by the certificate of public convenience and necessity granted by the decision noted in the margin are authorized as a passenger stage corporation to transport passengers and their luggage in either direction between Pacific Palisades and Palos Verdes Territories as hereinafter described, on the one hand, and the Los Angeles International Airport, on the other hand, subject to the following provisions:

- (a) The service shall be on-call, 6:00 a.m. through 1:00 a.m., seven days per week.
- (b) The service shall be provided in luxury limousines with a seating capacity of one driver and seven passengers.
- (c) The service shall be limited to transportation between the Los Angeles International Airport, on the one hand, and the following described territories on the other hand:

PACIFIC PALISADES TERRITORY: Commencing at the intersection of Venice Boulevard and Pacific Avenue, Venice, California, thence northerly along Pacific Avenue, Ocean Avenue, Pacific Coast Highway (State Route 1); Topanga Canyon Boulevard (State Route 27) to the Ventura Freeway (State Route 101); thence easterly along the Ventura Freeway (State Route 101) to the San Diego Freeway (Interstate Route 405); thence southerly along said San Diego Freeway (Interstate Route 405) to Sunset Boulevard; thence easterly along Sunset Boulevard to Beverly Drive

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in Beverly Hills, California; thence south on Beverly Drive to Santa Monica Boulevard (State Route 2); thence westerly along Santa Monica Boulevard (State Route 2); thence westerly along Santa Monica Boulevard (State Route 2) to the San Diego Freeway (Interstate Route 405), continuing south along said San Diego Freeway to Venice Boulevard; thence west on Venice Boulevard to the point and place of beginning.

PALOS VERDES TERRITORY: Beginning at the intersection of Imperial Highway and the Pacific Ocean; thence east on Imperial Highway to the San Diego Freeway (Interstate Route 405); south along the San Diego Freeway (Interstate Route 405) to Compton Boulevard in the city of Lawndale, east on Compton Boulevard to Wilmington Avenue in the city of Compton, south on Wilmington Avenue to Artesia Boulevard (State Route 91), west on Artesia Boulevard (State Route 91) to Western Avenue in the city of Gardena; thence south on Western Avenue to its terminus with the Pacific Ocean.

- (d) The holders of this certificate are exempted from the requirements of Sections 10.01, 10.02, 10.03, and 10.04 of General Order No. 98-A of the Public Utilities Commission of the State of California.

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