

Decision 00-06-073 June 22, 2000

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Michael S. Mitchell, Bruce P. Hector, Mickey's Space Ship Shuttle for a certificate of public convenience and necessity to operate as a passenger stage service between certain portions of Los Angeles County and Orange County and Los Angeles International Airport (LAX) and John Wayne Orange County Airport.

Application 92-07-054
(Filed July 23, 1992)

In the Matter of: PREFERRED TRANSPORTATION, INC., dba SuperShuttle, a California corporation, for authority to extend its existing passenger stage certificate (PSC-8937) to include: scheduled service over the most direct routes from points in communities in Orange County, on the one hand, and Los Angeles International Airport and Orange County Airport, on the other hand.

Application 97-11-006
(Filed November 6, 1997)

PCSTC, Inc., dba Pacific Coast Sightseeing Tours, for certificate of public convenience and necessity to operate as passenger stage corporation for scheduled and on-call service over the most direct routes: 1. Between Los Angeles International Airport and John Wayne Airport on the one hand, and places in the communities in Orange County and the other hand; and 2. Between John Wayne Airport in Orange County on the one hand, and places in the communities in Orange County on the other hand. Pursuant to the provisions of Section 1031 et seq. of the Public Utilities Code.

Application 98-03-035
(Filed March 23, 1998)

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Michael S. Mitchell, Bruce P. Hector, and Richard J. Hoffing, for Mickey's Space Ship Shuttle, applicant (A.92-07-054); Daniel K. Gaston, Attorney at Law, for Preferred Transportation, Inc. dba SuperShuttle, applicant (A.97-11-006); and Jeffrey E. Farano, Attorney at Law, for PCSTC, Inc. dba Pacific Coast Sightseeing Tours and Charters, applicant (A.98-03-035) and interested party (A.97-11-006).

John E. deBrauwere, Attorney at Law, for Ground Systems, Inc. dba The Airport Bus, protestant (A.92-07-054); Debra R. Mintz for Airport Cruiser, Inc., protestant (A.92-07-054 only); and Mohammed Ghods, Attorney at Law, for Buslink Corporation, protestant (A.98-03-035) and interested party (A.97-11-006).

Masaru Matsumura, for the Transportation Division (A.92-07-054 only); State Service for the Rail Safety and Carriers Division (A.97-11-006 and A.98-03-035).

O P I N I O N

I. Summary

This decision approves three applications to establish new scheduled and on-call passenger stage services between Los Angeles International Airport (LAX) and Orange County's John Wayne International Airport (SNA), on the one hand, and other points in Orange County, on the other hand.¹

All of the applicants request authority to provide scheduled service in a geographical area already served by a carrier that has below-capacity loads for much of the year. This calls into issue not only whether there is a public need for

¹ An additional request by Mickey's Space Ship Shuttle (Mickey's) to add two ZIP Code areas in Los Angeles County to its on-call authority is denied.

additional scheduled service, but also the issue of whether applications requesting the same type of authority may be granted without violating Public Utilities Code Section 1032(b).² Consequently, the three proceedings are consolidated to give us a broader picture of the region involved and afford us a vehicle for addressing the common issue concerning duplication of service in this market.

II. Description of Proceeding

The three applications for scheduled services that together constitute this proceeding were filed at various times during the past eight years. They present common issues of law and fact, and essentially request the same type of authority. As our decision creates a dramatic change in the competitive environment of the area to be served, issuance of a single decision places all of the applicants on an equal competitive footing.

A. Applications

1. Application (A.) 92-07-054, Re: Mickey's Space Ship Shuttle

Michael S. Mitchell and Bruce P. Hector, doing business as Mickey's, initially filed this application on July 23, 1992, and subsequently amended it twice.³ At the time it filed the application Mickey's operated on-call service from LAX to Orange County, but the company requested voluntary suspension of its authority in 1996 after ceasing operations, and its authority expired on May 6, 1997. Mickey's proposes to establish service from LAX to

² All statutory references are to the California Public Utilities Code, unless otherwise noted.

³ Mickey's first obtained operating authority (PSC 5244) in 1989 to operate on-call service, principally to serve LAX passengers.

SNA and 16 hotels in the Anaheim and Buena Park areas on a scheduled basis. However, in the reverse direction Mickey's proposes to run the buses either in on-call service, or in a scheduled mode in which only flagstops would be made. It also seeks in this proceeding to have its expired on-call authority reinstated, and to have two Los Angeles County ZIP codes encompassing Dream Works and Venice Beach added to its service area.

2. A.97-11-006, Re: Preferred Transportation, Inc., dba SuperShuttle (Preferred)

Preferred filed its application on November 6, 1997, subsequently amending it at the request of CPUC staff by adding a list of the equipment it will initially use to provide the new service. It seeks to expand its existing authority, which is now solely on-call authority, to provide scheduled service in both directions between points in Orange County, on the one hand, and LAX and SNA on the other hand. Preferred does not specify the Orange County points it intends to serve, but seeks authority to serve points of its own selection within the entire Orange County service area.

3. A.98-03-035, Re: PCSTC, Inc., dba Pacific Coast Sightseeing Tours and Charters (Pacific)

Pacific seeks authority to operate scheduled and on-call services for passengers over the most direct routes between LAX and Orange County points, and between SNA and Orange County points. The application specifies the points to be served in Orange County. Most are major hotels and other destinations associated with the County's convention and tourist trade.

B. Protests

Each of the applications were protested by at least one competing passenger stage operator. The relationships of some applicants to the protestant(s) changed after the applications were filed, making their present

procedural posture a bit confusing. In essence, each application is protested by Ground Systems, Inc. (The Airport Bus), the only carrier in the Orange County market that now operates scheduled airport service and its alter ego, Buslink Corp. (Buslink).⁴ The protests essentially raise issues relating to public need for more than a single scheduled service and the fitness of each applicant to operate scheduled service.

C. Procedural History

1. A.92-07-054

This application was originally assigned to Administrative Law Judge (ALJ) John Gilman, who held an evidentiary hearing (EH) from February 17 through 19, 1993. After briefs were filed the proceeding was submitted on May 17, 1993, but was reopened on July 6 so that ALJ Gilman could receive additional information for the record, principally about the relationship of The Airport Bus and Airport Cruiser. It was resubmitted on August 17, 1993. Unfortunately, ALJ Gilman suffered from a chronic illness, and he died before he could issue his proposed decision.

⁴ The Airport Bus, which is also doing business as Airport Coach, operates airport service between LAX, SNA, and Orange County points. Airport Cruiser, Inc., which ceased operation and was eventually acquired by Buslink, protested all three applications. Buslink, dba Airport Cruiser, protested SuperShuttle's application and Pacific's application. However, as Buslink was operated by The Airport Bus pursuant to a management agreement, and was formed specifically for the purpose of acquiring the assets of Airport Cruiser, by the time the record was consolidated and submitted the interests of the two had merged. See D.98-12-011 in A.97-05-049 (mimeo. December 3, 1998). Consequently, The Airport Bus, currently the only carrier in the Orange County market which operates scheduled service, is the only adverse party with a financial stake in the outcome.

Mickey's' application was subsequently reassigned to Assistant Chief ALJ Philip Weismehl, along with a number of ALJ Gilman's other open proceedings. Considerable effort was required to reconstruct the record, a task that delayed both the reassignment of this application and its final disposition. In August 1998 it came to the attention of the Commission that Mickey's' application shared common issues of fact and law with the other two applications addressed in this decision, both of which were scheduled to go to hearing shortly thereafter.

On March 8, 1999, the application was reassigned to ALJ Victor Ryerson so that the three proceedings could be coordinated. After reviewing the record ALJ Ryerson reopened this proceeding for the purpose of updating the applicant's financial and other information. This information was furnished in due course, and A.92-07-054 was submitted on March 21, 1999. This application was consolidated with the two others on September 9, 1999. Although the delay occasioned by this long succession of events is regrettable, consolidation of this application with two others seeking similar authority at this critical time in Orange County's development gives us the opportunity to address the question of new competition where scheduled airport service already exists, and to place Mickey's and the other aspiring entrants on an equal footing.

2. A.97-11-006

SuperShuttle filed this application on November 6, 1997. GSI and Airport Cruiser filed protests. ALJ Ryerson held a prehearing conference (PHC) on May 27, 1998, which the assigned Commissioner attended. Two days of EH concluded on September 11, 1998, and the proceeding was submitted on November 17, 1998. It was consolidated with the other proceedings on September 9, 1999.

3. A.98-03-035

Pacific filed this application on March 23, 1998. GSI and Buslink filed protests. On June 26, 1998, the Airport Bus filed a motion to request a hearing regarding an order to show cause why Pacific should not cease and desist from its California operations. The ALJ held a PHC on August 11, 1998. On September 10, 1998, he convened an EH solely on the issue of the cease and desist order. However, the hearing was continued to permit amendment of the motion. The motion for the cease and desist order was subsequently amended on the following September 18.

The EH resumed on January 11, 1999, on all issues, continuing intermittently until it concluded on January 22. The proceeding was submitted on March 30, 1999, and was consolidated with the other applications on September 9, 1999.

III. Background

Orange County comprises a significant part of California's populous South Coast region. Most of the county lies within an urbanized strip that extends west from the Santa Ana Mountains to the Pacific Ocean and into Los Angeles County to the north and San Diego County to the south. This area is characterized by a varied mixture of residential, light industrial, commercial, educational, military, and recreational land uses, and virtually all of it is developed. The county's orange groves and other agricultural lands have largely been transformed into low-density residential subdivisions and commercial developments since the Second World War. Clearly defined urban centers are few, and most of the area has coalesced into a continuous urbanized corridor, united by a network of freeways and major arterial streets. Because of the character of land use and the associated transportation system, the automobile is clearly the predominant means of transportation throughout this area and the surrounding region.

More than 26 million people visit Orange County annually. Tourism is a major activity, and the county's principal tourist attractions draw visitors from throughout the nation and the world. The preeminent tourist destination in the county is Disneyland, a world-renowned theme park, followed by Knott's Berry Farm, a regionally oriented amusement park. Disneyland has about 14 million visitors per year, and is engaged in the largest expansion project in its history. Convention activity is also important, as the county is host to some 300 meetings and conventions each year, with total attendance exceeding a million. The county's convention center in Anaheim is the eighth largest in the world.

A substantial number of visitors are on individual tour packages or group tours, and arrive or depart by air at LAX or SNA, the principal commercial airports serving the South Coast region. Testimony in the record indicates that only one scheduled bus service, that of The Airport Bus, presently serves the two airports and Orange County points. A competing service operated for a period of time within the past decade, but failed.

The Airport Bus currently offers service between LAX, SNA, and points in Orange County. It operates 36 trips in each direction daily between Anaheim and LAX, and 27 daily trips each way between SNA and Anaheim. Most of its buses are 47-passenger MCI vehicles, but it has a few large Prevost buses as well. Its bus fleet varies from 8 to 25 years old. The company has a good safety and licensing compliance record, and it keeps five buses in reserve to ensure the reliability of its service. Its fares have not changed for years, and its Chief Executive Officer testified that the company has consciously avoided investing in newer equipment in order to keep fare levels down.

The company internally has a complaint rate of about one for every 3000 riders, which is not noteworthy from the Commission's perspective. With rare exception, The Airport Bus has had adequate seating capacity to meet the

demand for service under present market conditions, and its buses are seldom filled. Monthly load factors for the 1995-1998 period generally varied from 30 to 40% for the LAX service, exceeding 50% for only two months in the spring of 1998, when a special promotion was offered. For its SNA service load factors were even lower, varying from 10 to 30% during the same period. At the hearing The Airport Bus' expert described the current market as "stagnant" and, in his opinion, incapable of supporting another scheduled bus operation.

Alternative service is currently provided by a number of on-call shuttle operators, who tend to charge higher fares and use smaller vehicles than scheduled bus operators. These on-call services pick up or deliver passengers at an arranged origin or destination, like a taxicab, but do so on a shared-ride basis. Other transportation alternatives available to the public in the Orange County market are rental cars, taxicabs, for-hire limousines, and charter buses. Although the entire area is also served by public transit, this was not considered to be an important factor in this proceeding, because the applications propose services that differ significantly from local transit operations in terms of the distance traveled, frequency of stops, and vehicle comfort.⁵

Although visitation to the county has fluctuated with general economic conditions, local governments and the business community have undertaken projects to generate and accommodate anticipated long-term increases in tourism, convention business, and airport use. For example, in 1990 the County completed the construction of a new terminal at SNA, increasing its capacity from 55 take-offs per day with 4.75 million passengers annually to a maximum of 73 take-offs per day and an annual maximum of 8.4 million passengers in 1995.

⁵ The applications herein were served on interested local agencies.

Particular attention has been paid to tourism, and all three of the applicants in this proceeding stress the anticipated growth of tourist visitation as the reason why more scheduled service is needed by the public.

The scope and scale of activities recently undertaken is exemplified by the Anaheim Resort Plan, an areawide revitalization program approved by that city in July 1994. The Plan anticipates that \$200 million of expenditures will be made to renovate approximately 1000 acres surrounding Disneyland and the Anaheim Convention Center. The Plan calls for undergrounding power lines, reconstructing and redesigning streets, landscaping streets around Disneyland and the Convention Center, making esthetic changes in signage, and adopting new design parameters to encourage the remodeling of all motels and hotels in the area. It also calls for the construction of 5000 new hotel rooms in the study area. Implementation of this plan is expected to increase attendance to these two attractions by more than two million visitors annually.⁶

Disneyland plans to build a second theme park, "Disney's California Adventure," adjacent to the original park. This will be an entirely new 55-acre theme park. The first phase is slated for completion in 2001, and the construction of new rides is underway. The first-phase expansion includes 750 new hotel rooms within a deluxe resort hotel, and a new retail, dining and entertainment center that will cater to guests and convention visitors. The Anaheim Convention Center is also undergoing an \$80 million expansion, enlarging the square footage of the facility by 40%.

Recently Knott's Berry Farm, located nearby in Buena Park, was sold to an owner who is expanding its attractions and amenities. A new wooden roller

⁶ See testimony of Jerry O'Connell in A.98-03-035.

coaster began operation in 1999, and further additions are planned. Other attractions in and around Orange County, such as Legoland (another theme park north of San Diego) and South Coast Plaza Shopping Center, have opened or expanded in recent years. Collectively these attractions amplify the draw of the area for recreational visitors, much as the aggregation of large theme parks and associated recreational businesses around Orlando, Florida, has become a powerful magnet for tourism fundamentally associated with Walt Disney World.

IV. Discussion

A. General

Section 1031 requires every passenger stage corporation to obtain from this Commission a certificate of public convenience and necessity (CPCN) declaring that public convenience and necessity require its operation before it may initiate service over any public highway in California. If a carrier already possesses a CPCN but desires to expand its authority to include a new type of service, it must also obtain our authority to do so. Under Section 1032(a), we may grant the authority as requested, refuse to issue it, or issue it to allow partial exercise of the requested authority. We may also attach terms and conditions to its exercise that, in our judgment, public convenience and necessity require.

Section 1032 (b) places an ostensible limitation upon the issuance of a CPCN where a territory is already served by a certificated passenger stage corporation. In such circumstances the statute says we may only issue the CPCN when we find, after a hearing, that the carrier serving the territory will not provide service to our satisfaction. However, two decades ago we added a gloss to this statute by effectively declaring that monopoly service in the face of an application by an aspiring competitor is not satisfactory to us as a matter of policy. (American Buslines, Inc., 3 CPUC2d 246 (1980).) The underlying basis for

this policy, which has the effect of prospectively rendering service by a sole carrier unsatisfactory *per se* whenever confronted by a competing application, is our perception that the introduction of reasonable competition tends to keep fares low, promote efficiency, and encourage good service. Correspondingly, the need for regulatory oversight is greatly diminished, because it is replaced by the introduction of consumer choice.

We would add the qualification, suggested by dicta in American Buslines, that the market must also reasonably *appear* to be able to support one or more new competitors before we consider the service of the incumbent to be unsatisfactory.⁷ With this sole exception, however, we have made our preference for competitive markets clear.

In American Buslines we recognized that our regulatory posture, as well as that of other agencies throughout the country, was even then,

"undergoing a metamorphosis with respect to the transportation industry. Currently included in consideration of public convenience and necessity, or public interest, is the value of the competitive effect on transportation utility operations as well as compliance with the intent and letter of federal and state antitrust laws."

* * *

"In general, antitrust laws and policies are premised on the basis that competitive service generally results in a superior overall level of service to the public. Competition stimulates efforts of

⁷ "[T]here may arise occasions when Section 1032 would be determinative in denying an application for operating authority such as, for example, when a traffic market is so obviously saturated with carriers that more competition could clearly not lead to better service. This could occur even though service is provided by one carrier." American Buslines, Inc., *supra* p. 257.

competitors to excel, which accrues to the benefit of the general public. . . . [A]ctive competition [sic] . . . will have a direct bearing on the quality of overall treatment afforded passengers, rates, scheduling, equipment condition, and operational innovation generally." (*Id.*, p. 255.)

Accord, Re American Airporter Shuttle, 52 CPUC2d 35, 36 (1993), in which we held, "we will not apply [Section] 1032 . . . as a bar to deprive the public of the most innovative, attractive, and agreeable bus service that may potentially exist for its benefit."

We also rely upon competition to encourage carriers to develop new markets where the market is "relatively finite." In D.97-11-027 in A.96-02-030, *Application of Catalina Explorer Co., Inc. et al.*, CPUC2d (1997), we stated, "The entrepreneurial potential in [the Catalina passenger vessel] market is endless and could actually increase the size of the market, depending on the level of innovation and the market's response to the new service offerings. Recent success stories that have exhibited this phenomenon include Federal Express and Southwest Airlines." (Mimeo., p. 9.) This diversification of the marketplace benefits the public in the long run by affording different market segments service that is better tailored to their respective needs. (See *Re Pinetree Service Corporation, Inc.*, 11 CPUC2d 370, 377 (1983).⁸) Differentiation of the services offered by competitors (e.g., differences in the size and type of equipment, or the option of making advance reservations on some carriers) gives customers choices they would otherwise lack if only one carrier operated a particular franchise.

⁸ "Allowing Pinetree to compete with Skyview on this route will ensure that the public will be served by carriers which have maximum incentive to offer schedules and service tailored to their customers' needs in order to attract patronage."

Finally, this approach is consistent with our policy encouraging competition among stationary utilities whenever access to customers by new competitors becomes feasible. A passenger stage carrier has its own equipment and facilities, and uses public streets and highways, and therefore is not faced with any impediment to direct customer access, such as that confronting energy and telecommunications utilities. Allowing competition among these transportation carriers presents no open access issue.

We traced the evolution of our present policy in Re Regulation of Passenger Carrier Services, 33 CPUC2d 5 (1989), which adopted new rules and service procedures in response to the changing environment of ground transportation services. We observed:

"Prior to 1976, passenger stage carriers were of one type: scheduled carriers operating from fixed termini on regular routes in large buses with monopoly service. In passenger stage service a marked shift has occurred from tightly regulated, monopoly provision of large bus scheduled service to the present more loosely regulated, competitive, and multi-service market.

"Tremendous growth in airline travel and related ground transportation has occurred since airline deregulation in 1978. With this growth has come competition between scheduled service and on-call service and among on-call services as well."

* * *

"Specific milestones in the Commission's regulatory policy to adjust to the new competitive environment have been: the 1976 granting of on-call mini-bus passenger stage service from downtown San Francisco to the airport [citation omitted]; the 1980 introduction of direct competition in the intercity bus market [citing American Buslines, Inc., *supra*]; and . . . the 1985 . . . decision directly addressing the interplay between the public demand for alternative transportation service and strict

enforcement of technical tariff violations. [Citation omitted.] Thus, by 1985, the Commission had granted passenger stage certificates for competitive mini-buses and on-call vans, changing the tradition of using large buses to the new modes of transportation demanded by the public." (*Id.*, p. 11.)

In short, ground transportation markets have opened up to new entrants in the past three decades, and competition has developed between similar and alternative services. These regulatory trends have had an impact upon the Orange County market, as elsewhere in California and the nation.

B. Public Need for Ground Transportation in the Orange County Market

Like other major metropolitan areas, the Orange County market area has witnessed the rapid growth of on-call services, often referred to as airport shuttles, in recent years. On-call service is "shared ride, individual fare service that is customer-initiated by prior reservation, stand-hail, or approaching a parked vehicle . . . [,] is usually provided by vans or limos and is demand responsive at both service origination and destination." (Re Regulation of Passenger Carrier Services, *supra*, p. 14.) Although generally priced higher than scheduled service,⁹ on-call services have undoubtedly lured away customers who are willing to pay more for greater flexibility and convenience. In the Orange County market the governing authorities of the two major airports have stopped the proliferation of on-call vehicle traffic on their premises by instituting local regulation on their properties, but many on-call services continue to operate in the area. Consequently, competition already exists between different types of services in the airport ground transportation market in Orange County. Indeed,

⁹ Scheduled service is "a service under a timetable provided to specific places at specific times." (*Id.*, 10.)

the parties in A.92-07-054 agreed that competition from on-call carriers had a much more serious economic impact than did the competition between the two scheduled carriers operating at the time that application was filed. The market since that time has shaken out the weaker competitors, and the service pattern is relatively stable. Nevertheless, the Orange County area is populous and highly diversified, and we believe it can be served by some new entrants. Accordingly, we find that it appears capable of supporting new competitive scheduled services.

That it is in the public's interest to permit new competition under the circumstances is well-settled under American Buslines, but the more critical issue is how much new scheduled service we should allow so that the number of carriers does not exceed the saturation point. Permitting entry to any new operator will almost certainly result in the initial diversion of some passengers from The Airport Bus and the loss of some of that carrier's revenue. We have already determined that such short-term consequences are outweighed by the long-term benefits of competition. On the other hand, allowing too many carriers to compete in a market where there is a limited demand for service may prompt all carriers to reduce service frequency and defer or eliminate investment in new equipment and facilities as a consequence of reduced ridership. This would be contrary to the public interest.

To avoid this result we must strike a balance that, in our discretion, best serves the public need. In this record no attempt was made to quantify the maximum level of demand for scheduled service in Orange County, which we could otherwise translate into a maximum number of potential operators. We must therefore rely upon the market itself to define the upper limit. All of the evidence points to substantial if unquantified growth potential, despite The Airport Bus' expert testimony that the market is "stagnant." That testimony was

based upon the assumption that the service pattern now operated, which meets the needs of only certain travelers, will continue to be the norm, and acknowledges neither the prospect of future growth nor the existence of diverse new markets.

This stable operating pattern is neither desirable nor realistic in a dynamic region like the South Coast. Two of the applicants have identified specific niche markets they seek to serve, namely, travelers on individual and package tours, but they cannot do so to their own satisfaction because of existing licensing constraints. The record does not indicate what proportion of The Airport Bus' present ridership is comprised of travelers who fit into new categories such as these, nor the potential revenue loss to The Airport Bus if such markets were captured by new competitors, but competition should be allowed.

We expect that the efforts to expand the major airports and the local tourist and convention facilities will succeed in attracting more visitors, generating additional demand for transportation services. How much they will succeed is not known. The investment in new facilities and infrastructure is a risk not only for the theme park and convention center owners, but also for the hotels, restaurants, and ground transportation services which serve them. Nevertheless, it seems almost certain that new tourist demand will emerge from the development of new attractions and adaptation of older ones like Disneyland to new mass markets. Introducing competition, rather than somehow trying to induce the existing carrier to respond to these changes, is the better way to ensure that the changing public need is met.

Competition between scheduled airport bus services in this market is not unprecedented, even within recent years. The Airport Bus' franchise now happens to be an exclusive one, but we perceive no justification for maintaining it as such, particularly in recognition of our policy generally disfavoring

monopoly operation in the face of aspiring competition. It is in the interest of both members of the traveling public and the airlines, hotels, and tour packagers that we allow a choice of carriers and types of service. As in all competitive markets, trial and error will determine which options truly meet the public need and which do not, but if a qualified operator desires to compete in a market of this size and complexity it should be allowed to do so, and the established carrier must adapt to the challenge.

We conclude that there is a public need for new scheduled services in the Orange County airport transportation market, and that the size of the market and the differences among the three applicants' proposals are such that the market would apparently be able to support all three. It is entirely possible that we are wrong, and that one or more competitors (including The Airport Bus) might falter by misjudging its market niche or resources. We recognize that uncertainty is the hallmark of the new competitive marketplace, but we see competition as a far better mechanism for guiding decisions than the traditional regulatory model under which we regulated service quality by decreeing what is the public need. Our years of experience with deregulation of the telecommunications and energy markets have taught us that, although the transition to open competition is not without growing pains, the public benefits in the long run. In modern markets there is an interplay between the public's expression of demand and the inventiveness of perceptive entrepreneurs who anticipate and fulfill it.

In reaching this conclusion we do not find that The Airport Bus' service, based upon its record of safety compliance and customer satisfaction, is less than adequate in the regulatory sense. We also recognize that The Airport Bus, with its existing fares, equipment, and service pattern has consistently had appreciable excess capacity. However, this fact indicates that, after several years

of occupying the field alone as demand stabilized, The Airport Bus did not adapt effectively to its circumstances by embracing new strategies for providing service. Moreover, it demonstrates that economic resources are being wasted, because The Airport Bus has not changed its equipment and service to fit the public need: its bus fleet is relatively old, and the size and large seating capacity of its buses almost guarantee that its operating costs will be high and its load factors (which are measured as a percentage of seating capacity) low. The fact that The Airport Bus has not experimented with the operation of smaller, more efficient vehicles, perhaps coupled with greater schedule frequency, nor adopted any other significant innovation, is remarkable. The impression we have is that The Airport Bus is presently something of an anachronism in today's environment when compared to services operated in other California markets. See Re Regulation of Passenger Carrier Services, supra.

As long as The Airport Bus served this market without significant customer dissatisfaction, we have had no reason to disturb the status quo. But circumstances have changed, and the "satisfaction" standard in Section 1032(b) is a subjective one, allowing us to change our policy in response to new developments.¹⁰ The reason The Airport Bus' service is unsatisfactory to us now is that *in the face of aspiring competition by potentially qualified operators* the record indicates that it remains the sole scheduled carrier in this populous marketplace. Its adequacy to meet the full spectrum of public need is not being guided by the invisible hand of competition, but controlled by the iron fist of traditional regulation. Now that competitors have stepped to the fore, we cannot allow this

¹⁰ " . . . to the satisfaction of *the Commission.*" *Id.* [Italics added.]

state of affairs to persist, for it violates the essence of Section 1032(b) as we have construed it in American Buslines.

The days are long past when an airport ground carrier could assume that its franchise was forever secure merely by operating service at an adequate level. The modern marketplace demands--and deserves--more. With this decision we lay to rest any doubt that the principles we articulated in American Buslines are viable. We conclude that there is a public need for the services proposed by the applicants, and that trial and error should determine what types of service will earn the greatest public acceptance in this market.

C. Qualifications of the Applicants

We turn now to the issue of whether the respective applicants are financially and operationally fit to provide the scheduled service they have proposed.

1. Mickey's

Mickey's seeks to implement ambitious plans for operating frequently scheduled outbound service from LAX, combined with unscheduled on-call or "flagstop" service in the return direction, ultimately operating 44 daily frequencies in each direction. Essentially, its request is for authority to operate in a traditional scheduled mode outbound from LAX, but to retain the flexibility to operate as either a scheduled or on-call service inbound, without necessarily making any stops at all. By its account this hybrid method of operation is designed to comport with LAX rules forbidding on-call operators from entering the terminal after drop-off in order to pick up passengers who have not requested their service. Protestants claim that Mickey's' proposal is merely a means of circumventing LAX rules for on-call services, because its buses would not have to wait in the "holding tank."

At SNA the scheduled service would only drop off passengers from LAX and other points, because Mickey's does not have permission to pick up passengers there. Returning scheduled service from Orange County to LAX would not stop at SNA at all. Mickey's additionally seeks to reinstate its previous Orange County on-call authority, and to expand that authority by adding two Los Angeles County ZIP codes. The on-call service would pick up passengers at SNA, but not at LAX, because of the restrictions on such operations at the latter.

Although it has no usable vehicles at present, Mickey's states that it will acquire the vehicles necessary to operate these services if we grant authority. As set forth in its recent update, Mickey's' plan is to furnish both on-call and scheduled services by using twenty-two B350 Dodge 14- or 15-passenger luxury buses, which it intends to purchase from a vehicle rental concern.¹¹ The seating configuration varies slightly between the two models to accommodate more baggage in the lower-capacity buses. Although scheduled service will have priority use of the vehicles with more baggage space, those not actually being used to provide scheduled service will also be available for on-call service. Mickey's has disposed of all of the vehicles previously used in its on-call service, except for a single older 15-passenger van-style bus.

We do not know the cost of the vehicles involved, but we presume that a qualified party can purchase or lease them. Under the partnership agreement for the company, Hector will provide the necessary capital and credit for the company's business. Mickey's' updated financials state that Hector, a

¹¹ Mickey's states that Antelope Valley Express has used vehicles of this type in scheduled service for more than five years.

physician, now has a net worth of approximately \$1,720,000. Of this sum, about \$1.1 million represents liquid assets. At the 1993 hearing he testified that he would be willing to commit to an investment of \$125,000 to start up the scheduled service, although he had made no binding commitment to make this investment.¹² We do not know how much he is currently willing to invest in the company, but his personal assets are certainly adequate to commence operations on a modest scale. Consistent with our policy of opening transportation markets to competition, we will not unreasonably restrain an entrepreneur who seeks to enter the playing field if he has the wherewithal to do so.¹³ We find that Mickey's satisfies our financial fitness requirement.

Mickey's' previous years of experience operating on-call service in this market also indicate that it is qualified to operate as soon as it procures sufficient equipment and obtains any necessary permission to enter airports and other affected properties. Of greater concern to us are Mickey's' motives for the service pattern it proposes and the feasibility of its plans. The fact that Mickey's seeks to establish only outbound scheduled service at LAX so as to avoid a rule forbidding on-call vehicles from "cruising" the airport for passengers and requiring them instead to queue up in a holding area until called is troubling. Although innovative in concept, we do not perceive how this would serve any *public* purpose. To the contrary, it would appear that a mixed-service pattern

¹² Hector's net worth at the time he made this statement was reportedly \$1,213,000, including \$306,000 in cash. (Concurrent Brief of Applicant, p. 2; Attachment to Second Amended Application.)

¹³ No current financials have been furnished for Mitchell, but his net assets were about \$35,000 at the time the application was initially filed. (See Attachment to Second Amended Application.) It is clear from their partnership agreement that Mitchell is intended to be the senior operations manager, rather than a source of credit or capital.

would only defeat the purpose of the airport's rule, cause public confusion, and destroy the predictability and uniform pricing that is the hallmark of scheduled service. The potential for mischief committed by eager drivers is great.

We will grant Mickey's' application with certain conditions that address these concerns. First, we will require Mickey's to keep the two forms of service separate. We have no objection to Mickey's' operating outbound service from LAX as a scheduled service, with stops being made at scheduled times and specific locations. However, if operated as a scheduled service inbound it may not add on-call stops, as this could delay the passengers riding in scheduled service, deny on-call passengers the benefit of paying for a truly premium service, and confuse both passengers and the LAX governing authority about the nature of the service. Passengers of a given type of service should pay uniformly for that service.¹⁴

We will also require that any scheduled service operated at flagstops *must* show the scheduled time for each flagstop, *may not bypass* those flagstops, and *must not depart from a flagstop before the scheduled time*. If any service is operated as on-call service, it *may not* stop at any point to which it has not been summoned *in advance* by a customer request. Finally, all service operated to the airports in question *must* comply with the rules and regulations of the airport's governing authorities.

Our intent in imposing these conditions is to prevent passenger piracy and other destructive behavior that previously plagued competitive airport services before local airport rules were adopted, and to ensure that all

¹⁴ This is true even though discounted rates may apply under conditions stated in the carrier's tariff.

passengers who embark at a given location are properly charged for the type of service they have engaged the carrier to perform. Although we defer to the governing airport authorities to regulate ground connections on their own properties, we are concerned about carriers' conduct at hotels and other pickup points. Allowing competition does not mean competitors may have free license to compete in any manner they see fit. We will not tolerate the kind of conduct that created problems between competing airport services in the past, and we will respond vigorously to complaints about piracy or schedule conflicts.

Mickey's' request to add two ZIP Code areas in Los Angeles County to its on-call authority is denied. Although such a request was initially included in the 1992 application, Mickey's subsequently withdrew it. Its present request was included in its recent informational update, which does not constitute a proper amendment of its application, as it does not provide proper notice of the altered request. Mickey's may expand the authority granted in this decision by filing a new application after this order becomes final, and properly observing our requirements for serving other parties.

2. Preferred

Preferred currently operates extensive on-call service within the Orange County and Los Angeles County regions under the SuperShuttle brand, and claims that the scheduled service would "round out its product" by complementing its on-call service with a less costly alternative. Preferred claims that its present customers, specifically travel agency and tour operators, have requested this service, and expects that market to account for the majority of its business for scheduled service. According to its testimony, tours arranged by these customers account for 40 to 50% of its overall revenue.

Preferred plans to use seven 24-passenger vehicles and one 16-passenger vehicle with wheelchair access to provide scheduled service. This

type of vehicle is entirely different from its on-call vans, which would not be used to provide scheduled service. SuperShuttle offers its shared-ride services exclusively under the SuperShuttle brand, using distinctive trademarked blue and yellow vans. Preferred, on the other hand, says it will use its own name and an entirely different color scheme for equipment in scheduled service to prevent product confusion.

Preferred is a former franchisee of SuperShuttle International, Inc., which recently bought the franchise outright. (See D.98-11-057 in A.98-04-030, CPUC2d (1998).) The corporate parent is a leading provider of nationally branded door-to-door airport shared-ride service, with both company-owned and franchised operations in 15 cities, serving 18 airports. In 1997 it provided shared-ride services to more than 7 million passengers. Its business also includes contracted paratransit, bus and mini-bus, and executive sedan services. With the acquisition of Preferred and two other franchisees, SuperShuttle International, Inc.'s annual gross revenues exceed \$75 million, and its net income exceeds \$2.4 million. As of March 31, 1998, SuperShuttle had cash and cash equivalents of \$1.9 million.

Preferred has substantial experience resulting from its present operations, and possesses appreciable financial resources. The company's August 31, 1997, balance sheet showed that Preferred had assets exceeding \$2.4 million and liabilities of about \$1.86 million when the application was filed. Owners' equity was nearly \$546,000 at that time; as of June 30, 1998, it was in excess of \$913,000. Its income statements for those dates show respective profits of about \$250,000 and \$383,000.

In view of the substantial assets and experience of both Preferred and its parent, we find that the applicant is financially and operationally fit to provide scheduled service. We will approve the application with the condition

that its on-call and scheduled operations be conducted separately for the reasons stated above.

3. Pacific

Pacific currently holds California charter party and passenger stage carrier authority. It is a Gray Line franchisee, and uses 47- and 57-passenger buses in its Gray Line operations. It also has federal authority to provide interstate and other services. Pacific has 70 buses and some 150 drivers, ticketing personnel, and office staff, and substantial experience in the tourist bus industry.

Pacific is a wholly owned subsidiary of Coach, USA, a rapidly growing nationwide holding company that owns a variety of passenger transportation businesses, including taxicab, paratransit, and airport shuttle services. Coach is the largest provider of motorcoach charter, tour, and sightseeing services in the United States, and says that its mission is to expand this position. It has developed a focused acquisition strategy to expand its existing markets and establish a strong presence in gateway and convention cities. (A.98-08-035, Exh. 14.) Pacific's application is consistent with this strategy, which indicates that it principally seeks to serve that market.

Under Pacific's proposal, scheduled service would run on three routes seven days per week from 4 a.m. to midnight with half-hour headways, and would serve a total of 31 stops. Pacific states that it will select stops on the basis of demand and "customer density." On-call service would be provided with a one-hour response.

Pacific would furnish the scheduled service with fifteen 47- to 57-passenger buses. These would be newer buses (i.e., less than five years old), similar to those now used for its tour and charter services. Pacific says that it could quickly acquire additional buses through its corporate parent if necessary to meet increased demand. The company has a 15-year lease on a five-acre

parcel to be used for a new terminal on South Manchester Avenue in Anaheim close to Disneyland and the Anaheim Convention Center, with direct access to the Interstate Highway 5 freeway. The terminal will consist of 5000 square feet of ticketing area, 7000 square feet of office space, and 7500 square feet of maintenance area on a five-acre parcel.

Pacific proposes a novel hub-and-spoke operation, utilizing its new terminal facility as a collection point. Upon pickup passengers will be taken to this facility to complete their ticketing before they are delivered to their ultimate destinations. This system seems more efficient than current operating practices, and would apparently expedite the pickup and delivery of passengers at the many hotels clustered around Orange County's theme parks and Convention Center, because vehicles will not have to make a series of consecutive stops.

The company estimates that 80% of its current business comes from tours to attractions around Southern California, 10% from charter service to and from SNA and LAX, and 10% from shuttle service to local attractions.¹⁵ Pacific believes that 60 to 70% of its new business will be transportation arranged in advance for customers by tour operators and travel agents, in which printed vouchers are issued to passengers as part of a travel package to be used like tickets for bus transportation. Supporting letters from Walt Disney Attractions, the Anaheim/Orange County Visitors and Convention Bureau, and two local hotels cite greater choice and flexibility as reasons why Pacific's proposed service would be desirable.

Coach, USA is organized with centralized administrative functions such as financing, insurance, vendor contracting and administration, but has

¹⁵ For a more complete description of Pacific's shuttle service, see A.99-08-037.

decentralized operating units. When it purchases a company, its practice is to have the former owner serve as president of the acquired company, as in the present instance. Equipment is shared among the subsidiary companies when needed. This approach impresses us as one that both enhances efficiency and ensures that the company will generally have access to necessary equipment and the services of employees who are knowledgeable about local needs and operating conditions.

As of August 31, 1998, Pacific's balance sheet shows assets exceeding \$8.2 million, and current and non-current liabilities of \$6.6 million, resulting in shareholder equity in excess of \$1.6 million. Although its income statement shows considerable variability in its profits, it is clear that Pacific is a going concern, with annual gross revenues in the \$8 to \$10 million range. To the extent that it may rely upon the financial resources and creditworthiness of Coach, USA., its financial strength is greatly amplified.

We find that Pacific is financially and operationally fit to operate the proposed service. We will approve its application, subject to the same general conditions imposed on the other applicants requiring separate operation of scheduled and on-call services.

V. Other Matters

The Airport Bus has filed a veritable blizzard of motions for extraordinary relief in this proceeding and in an unrelated application proceeding. Angry reaction by the defending parties created collateral disputes, diverting attention from the real issues and delaying issuance of this decision. A last-minute motion for interim relief filed by The Airport Bus occasioned a continuance of the hearing on the merits of one of the present applications by several months because of calendar conflicts.

We are determined to prevent such occurrences in future licensing proceedings. As the sole operator of scheduled service in the Orange County market, it is understandable that The Airport Bus is anxious to preserve its competitive position in this market. However, we admonish all parties and their counsel to refrain from seeking relief in licensing proceedings that unnecessarily delays their resolution, and we urge carriers to devote their ingenuity to addressing the demands of the competitive marketplace instead.

On June 26, 1998, The Airport Bus filed a motion in A.98-03-035 to request a hearing regarding an order to show cause why the applicant should not cease and desist from its California operations, citing violation of Sections 851 through 854 and 1036(b), as a result of the transfer of ownership and control of Pacific to Coach USA, Inc. without Commission approval. On the following September 18 The Airport Bus amended its motion, adding grounds that The Airport Bus had unlawfully transferred title of its buses to Coach USA, Inc.

On September 8, 1998, The Airport Bus filed a motion in A.97-11-006 requesting the same relief with respect to Preferred. The Airport Bus asserted as grounds for this motion the unlawful acquisition of control and management of Preferred and its affiliated franchisee, Tamarack, Inc., by SuperShuttle International, Inc.¹⁶

The Airport Bus argues that it was appropriate to file these motions seeking interlocutory relief in the pending application proceedings, because the applicants' alleged failure to obtain necessary regulatory approval was relevant

¹⁶ Also on September 8, 1998, The Airport Bus filed an identical motion in A.98-04-030, the related proceeding in which SuperShuttle and its two franchisees sought authority for the transfer.

to the issue of their fitness. Although we were initially concerned that these motions signaled that the wrong applicants were before us, this turned out not to be the real issue. The gravamen of each motion was that the applicant had come before the Commission with unclean hands, or something to that effect. But the operational and financial fitness of an applicant can be evaluated independently of whether it obtained its status as a carrier in violation of a licensing statute, and there is no need to stop the clock in the licensing process to address that issue. The proper procedure for commencing a proceeding to allege that a carrier violated a statute we administer, or a rule, regulation, or order of this Commission, is to file a formal complaint pursuant to Section 1702 and Rule 9 et seq. of our Rules of Practice and Procedure.¹⁷ This is fundamental to practicing before this Commission. We will deny each of The Airport Bus' motions without addressing the merits of The Airport Bus' contentions about misbehavior by the applicants' corporate parents.

On April 14, 1999, Pacific filed an objection and motion to strike specified portions of The Airport Bus' Reply Brief, on grounds that it relied upon facts outside the record. Although some of the matter sought to be stricken was clearly not based on the record, other facts were officially noticeable, and some of

¹⁷ We note that D.98-11-057, *supra* directed staff to look into allegations of wrongdoing by SuperShuttle, including possible violations of Sections 851 through 854 and Rule 1, as part of the order. (See O.P. 2.) However, we prefer that a party file a complaint to initiate the examination of such allegations, and to place the burden of proof upon the complaining party rather than adding to the responsibilities of the Commission's staff.

At some point during the course of A.98-03-035 Pacific also submitted a written motion to the ALJ requesting similar relief with respect to The Airport Bus here. Pacific's motion was never formally filed, however, and we therefore take no action on it.

the matter to which Pacific objected was simply argument. In any event, as finder of fact we relied upon little if any of it, as much of the contested matter was immaterial and the remainder lacked credibility. We perceive no need to go so far as to strike any of it from the brief. The objection is overruled and the motion denied.

On November 24, 1999, The Airport Bus filed a petition asking the Commission to set aside submission and reopen A.98-03-035 to take additional evidence. The Airport Bus asserts that material changes have taken place in Pacific's operation, finances, management, and ownership, which would justify reopening the proceeding. It cites Mr. O'Connell's recent resignation as Pacific's president, the alleged sale of Coach USA, Inc. to another entity, the need for more financial information because the applicant's recent results are unfavorable, and the alleged failure of Pacific to serve its application on certain transit authorities as examples.

Even if we accept that these events have occurred, none are of a character that would cause us to change the result of our decision. There is always a lag between the close of the evidentiary record and the issuance of a decision in Commission proceedings. Individual and corporate fortunes rise and fall, and the longer a proceeding lasts, the more changes are apt to take place. Absent extraordinary circumstances that would alter the basis for our decision, we cannot reopen the record in a proceeding to account for such changes, or we would never be able to conclude many major proceedings. The petition presents no extraordinary circumstances. Further delay of this proceeding would only undermine our intended result and benefit The Airport Bus at the expense of the applicants. We will deny the petition.

On March 23, 2000, The Airport Bus filed a second petition to set aside submission of A.98-03-035, coupled with a motion to consolidate that proceeding

with A.99-08-037, an unrelated application more recently filed by Pacific. This petition is premised upon the argument that the Orange County market has changed "dramatically," that financial information which Pacific filed in A.99-08-037 demonstrates it is experiencing greatly worsened financial circumstances since the filing of A.98-03-035, and that Pacific has recently engaged in activities which allegedly violate antitrust laws. The request to consolidate the two proceedings is based upon the fact that the applicant is the same, and the allegations of financial weakness and illegal activity are common, in both, creating related issues of fact and law.

Again, we must deny the petition for many of the reasons to which we have previously adverted. The passage of time inevitably generates change, but none of the evidence proffered by The Airport Bus is of a character that would justify delaying the conclusion of this proceeding. The Airport Bus does not explain what "dramatic" changes have occurred in the Orange County market; short of a sudden natural catastrophe or severe economic downturn, we can conceive of none that would provide such justification. Given our comments regarding Pacific's long-term staying power, any fluctuation it has experienced in its financial condition recently is likewise not a basis for keeping this proceeding from going forward. The Airport Bus' representation that Pacific should be filing a petition for bankruptcy is pure speculation. Finally, we have no jurisdiction to investigate violations or enforce state and federal antitrust laws. If The Airport Bus intends to bring such allegations before us, it must first obtain a judgment in the appropriate forum. We deny the petition and motion.

On March 27, 2000, Buslink filed a motion to dismiss A.98-03-035 and A.97-11-006 and close those two proceedings. The Airport Bus joined in the motion. The grounds asserted in support of the motion are that the deadlines for issuing the ALJ's proposed decision in these two ratesetting proceedings have

expired under Pub. Util. Code § 311(d), and that the 18-month Senate Bill (SB) 960 deadline to resolve each of these proceedings has also expired. (See Stats. 1996 Ch. 856.) The latter deadline is set forth in the assigned Commissioner's scoping ruling in each proceeding, based upon an expression of legislative intent in SB 960 that ratesetting proceedings conclude within 18 months. The moving parties argue that the Commission's failure to meet these deadlines divests us of jurisdiction to render a decision in these proceedings, and compels us to dismiss and close them.

The logic of moving parties' assertions is flawed. Although we strive to meet the Section 311(d) 90-day deadline and respect the Legislature's desire that ratesettings conclude within 18 months, we cannot invariably comply with such time limitations, and we will not do so at the expense of quality. The size and complexity of some proceedings and the scarcity of Commission staff and other resources occasionally prevent us from doing so, but this does not deprive us of our power under the California Constitution to issue decisions in such instances. Not only is there no statutory or other basis for such a claim, but if it were true, applicants would be left without a jurisdictional forum, and therefore without a regulatory remedy. Parties in an administrative proceeding may have recourse by an action in the nature of mandamus to enforce the performance of an agency's duties, but there is no "sudden death" penalty for an agency's failure to act within statutory or other time limits in the absence of an express statutory provision to that effect. The motion to dismiss and close these proceedings is denied.

VI. Comments on Proposed Decision

The proposed decision of ALJ Victor D. Ryerson in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(d) and Rule 77.1 of the

Rules of Practice and Procedure. Timely comments were filed by Mickey's, The Airport Bus, and Buslink. Reply comments were filed by Pacific and Mickey's.

In its comments The Airport Bus criticizes our construction of Section 1032(b) and urges us to carry out the requirements of the statute by denying the applications, unless we find that the quality of the services The Airport Bus provides will be unsatisfactory to the Commission. The Airport Bus claims that our longstanding interpretation of Section 1032(b) under American Buslines puts a "spin" on the literal language of the statute which cannot be justified under the law.

These arguments merely repeat those which The Airport Bus made in its briefs. Inasmuch as the Commission has repeatedly applied the present interpretation of Section 1032(b) to proceedings over the past two decades, we regard the matter as settled. As we recently stated in D.99-10-068:

"For many years the Commission has pursued a policy of promoting competition in passenger stage carrier markets. In furtherance of this policy, the Commission has liberally construed statutory and regulatory requirements in reviewing applications for new and expanded services." (Mimeo., pp. 3-4, October 21, 1999.)

We see no reason to reverse this policy, nor alter the manner in which we construe Section 1032(d) to carry it out, in the present instance.¹⁸

We again emphasize that the regulatory environment has changed dramatically in the past two decades, not only for passenger stage carriers, but for the entire passenger transportation industry. (See Re Regulation of Passenger Stage Carriers, supra.) We believe it is entirely appropriate to apply these changing regulatory principles to ground transportation to encourage better, less expensive service. Since competition was opened up in the airline industry, air carriers have utilized a variety of innovative techniques to optimize the use of seating capacity and operate more efficiently, such as the hub-and-spoke operating concept. The traveling public has accepted these changes, and has benefited in return by receiving a greater choice of fares and schedules, and new travel opportunities such as inexpensive vacation packages to destinations like Disneyland. Such principles work well for airlines and ground connections alike, and we will not change a major policy direction to return to a bygone era in our California market through wooden adherence to an outmoded regulatory concept.

¹⁸ See also D.96-09-091, 68 CPUC2d 254, 262, in which we stated:

"Our goal has always been for PSCs to provide the best possible service to the public at the lowest possible cost. In our view, open and competitive markets for PSC services achieve this goal by stimulating individual PSCs to seek a competitive advantage through better service and/or lower prices to the public." [Footnote omitted.]

Examples of other decisions in which we stated our policy of encouraging competition in the PSC industry are cited in footnotes 8 and 9 of D.96-09-091, p. 274.

The remaining comments of The Airport Bus principally criticize our findings, and our handling of motions discussed above under "Other Matters." We find nothing in The Airport Bus' comments that would cause us to disturb our findings. Its comments are based upon the argument that we should have reached a contrary result from the same facts. However, all of our findings are rationally based upon facts of record and reasonable inferences from those facts, and we will not change them because they are contrary to The Airport Bus' position.

The comments concerning our disposition of motions simply fail to acknowledge the discretion we have to control our proceedings. We have not, as The Airport Bus asserts, deprived it of due process by denying those motions without a full hearing on each, nor by addressing them in the decision rather than by ruling. We could have disposed of these motions by separate rulings with the same result, but we routinely address such procedural matters in our final decisions. We will not alter the disposition of those motions.

We have added an additional limitation to Appendix PSC-8937, Original Page 2a, in response to a comment by The Airport Bus.

Buslink's comments essentially reiterate its argument that two of the three applications should be dismissed and the proceedings closed, and criticize our disposition of motions discussed under "Other Matters." We have already discussed these matters at length, and we will not alter the results.

Mickeys' comments are essentially supportive of the proposed decision, but Mickeys' takes umbrage at the statement on page 22 that with a mixed-service pattern, "The potential for mischief as great." We recognize the fine record Mickey's had when it operated on-call service and do not mean to imply that it has ever engaged in any "mischief." We also applaud Mickey's candor in disclosing the precise nature of its plans for providing service. Unfortunately,

however, we have seen many instances in the past where individual drivers, usually motivated by their compensation arrangement with their employers, have "pirated" passengers at curbside by misrepresenting the nature of the services they were providing. We have modified the statement in this decision to clarify our reason. By including conditions designed maintain the separation of scheduled and on-call service we hope to discourage such individual conduct.

VII. Oral Argument

On May 24, 2000, The Airport Bus filed a request that the Commission issue directives to conform the proceeding to Section 1701.3, and specifically to schedule oral argument pursuant to Section 1701.3(d). On the same date Buslink filed an identical request. On June 2, Pacific also requested the right to present responsive oral argument. Section 1701.3(d) specifies that any party has the right to present final oral argument of a ratesetting case before the Commission; requires the Commission to schedule these requests in a timely manner; and requires a quorum of the Commission to be present for the final oral argument.¹⁹

In response to the request the Commission delayed consideration of this decision at its June 8 meeting, and set final oral argument to be held on June 20, so the matter could be considered at the June 22 meeting.

A form of Notice of Oral Argument was mailed to all parties on June 9. The notice erroneously advised the parties that the oral argument would be before ALJ Ryerson. The Airport Bus mailed an exception to this notice expressly acknowledging the inadvertence of this error, but not challenging the prospect that oral argument would be held. On the same date Buslink mailed an objection to the notice, based on the lack of specificity as well as non-compliance

¹⁹ This statutory provision is implemented under Rule 8(d).

with Section 1701.3. Buslink contends that it could not determine whether the oral argument was intended as final oral argument under Section 1701.3, or simply oral argument on pending motions.²⁰ Pacific responded to both of these new filings in a letter dated June 15.

Oral argument convened at the appointed hour and place. As both protestants demanded, a quorum of Commissioners was present, including the assigned Commissioner. Both The Airport Bus and Buslink attended through company representatives, but not by counsel. Pacific, Mickey's, and Preferred also attended. The protestants presented no oral argument, claiming to be unable to do so, but the other parties did present argument.

The conduct of counsel for the protestants is perplexing, to say the least. First, these parties got exactly what they asked for; scheduling of timely final oral argument pursuant to Section 1701.3 and Rule 8(d). Second, The Airport Bus' "Exception" expressly evinces its understanding that the mistake in the notice is inadvertent. Third, there is no provision in our rules for oral argument on motions; rule 45 provides for motions to be handled by written pleadings. Finally, the timing of the notice clearly was in response to these parties' identical written requests.

These parties made no effort to call the problem to the attention of the ALJ or the Commission when the error first came to light. Instead, precious days went by before they communicated the problem in writing, suggesting that they seized upon this situation as another opportunity to delay the issuance of our decision by stratagem. Moreover, as soon as the error came to the ALJ's attention, he contacted both objecting parties by telephone to reassure them that

²⁰ These motions are addressed under "Other Matters," *supra*.

the requisite quorum of Commissioners would be present for the final oral argument on June 20.

Apparently, counsel for both protestants also had schedule conflicts with the date selected by the Commission. This is unfortunate, but is to be expected in light of the requirement that we schedule final oral argument in a timely fashion, i.e., before a matter is scheduled to be voted upon. In an effort to ease this situation, ALJ Ryerson offered several options, including the availability of teleconferencing, to alleviate the conflict. Neither counsel availed himself of these options, at the peril of losing the opportunity for final oral argument altogether.

VIII. Conclusion

Orange County is populous and complex. Tourist and convention business, one of the mainstays of its economy, is burgeoning. Substantial infrastructure is being added to accommodate future growth. Air traffic is increasing both locally and nationally, and with it comes the need to provide adequate ground transportation of all types.

There is a need for competition that does not presently exist in scheduled ground transportation linking the major hotels and attractions in Orange County with major regional airports. We will not presume to define how competitors should serve existing markets or find new ones within this realm. Four competitors forging different roles to serve the traveling public does not strike us as an excessive number in a market of this size.

Whether or not all of the carriers holding authority to provide such service will be able to survive the rigors of competition remains to be seen. However, we will not stand as an obstacle in their path. Having met the American Buslines test, each is entitled to try. We will authorize the three applications in this proceeding.

Findings of Fact

1. Orange County is a major California population center, with varied land uses that include significant convention and recreational facilities, including Disneyland.

2. More than 26 million people visit Orange County annually.

3. Approximately 14 million people visit Disneyland each year. Disneyland is currently engaged in the largest expansion project in its history.

4. Significant projects to expand Orange County's commercial airport (SNA), major convention center, hotels, and major amusement parks are either currently underway or have been completed within recent years. These projects are intended to attract and accommodate an increased number of visitors to the Orange County area.

5. Many of the visitors to Orange County utilize air transportation and arrive or depart through the region's two principal commercial airports, LAX and SNA. A substantial proportion of these air travelers utilize individual tour packages and group tours.

6. LAX, SNA, and the Orange County area are currently served by on-call shuttle operators, taxis, for-hire limousines, and other unscheduled carriers, and by public transit services.

7. Only one scheduled carrier, The Airport Bus, presently operates scheduled bus service between and among LAX, SNA, and Orange County tourist and other destination points.

8. Scheduled bus service operated by The Airport Bus is adequate to accommodate its present demand. The Airport Bus has a satisfactory record of compliance with safety and licensing requirements.

9. With its current levels of ridership, schedules, and equipment, monthly load factors for The Airport Bus in recent years have been 30% to 40% of capacity for its LAX service, and 10% and 30% capacity for its SNA service.

10. There is a public need for scheduled bus service from and between LAX SNA, and Orange County destination points to serve diverse new market segments within the Orange County market area.

11. The Airport Bus will not provide scheduled service in the Orange County market area to our satisfaction in the future, because other apparently qualified carriers aspire to serve that market area as well.

12. The Orange County market appears to be able to support one or more new scheduled bus services from and between LAX and SNA, and Orange County destinations, because of its size and diversity, and because of the imminent likelihood of growth due to expansion of convention, recreational, and related facilities in the area.

13. The Commission's current policy encourages the development of competitive markets, wherever feasible, as the means to ensure that public need for utility services, including passenger stage carrier service, is met.

14. Mickey's is financially and operationally fit to provide the services for which authority is granted in the order.

15. Preferred is financially and operationally fit to provide the services for which authority is granted in the order.

16. Pacific is financially and operationally fit to provide the services for which authority is granted in the order.

Conclusions of Law

1. Ordinarily, under Section 1032(b) an existing certificate holder who operates a scheduled service in its territory without competition for the same service *ipso facto* will not provide that service to the satisfaction of the

Commission, if an apparently qualified applicant aspires to compete in operating that service.

2. It is the usual policy of the Commission to issue a CPCN to an applicant authorizing it to operate a scheduled passenger stage service in a territory already served by a certificate holder that operates such a service in that territory, if the certificate holder has no competition for that type of service in the same territory.

3. There is a public need for competitive scheduled passenger stage services between and among LAX and SNA and destination points in Orange County.

4. Mickey's application should be granted to the extent provided in the order.

5. Preferred's application should be granted to the extent provided in the order.

6. Pacific's application should be granted to the extent provided in the order.

7. Exercise of the authority granted in the order should be subject to the Commission's imposition of certain terms and conditions that are required by public convenience and necessity, to ensure that passengers receive the proper services for their tendered fares, and to ensure that competition among carriers is conducted fairly and without conflict.

8. The motion of The Airport Bus in A.98-03-035 regarding an order to show cause why the applicant should not cease and desist from its California operations, filed June 26, 1998, should be denied.

9. The motion of The Airport Bus in A.97-11-006 regarding an order to show cause why the applicant should not cease and desist from its California operations, filed September 8, 1998, should be denied.

10. Pacific's motion to strike portions of The Airport Bus' Reply Brief should be denied.

11. The Airport Bus' petition to set aside submission and reopen A.98-03-035, filed November 24, 1999, should be denied.

12. The Airport Bus' petition to set aside submission and open A.98-03-035 and motion to consolidate that proceeding with A.99-08-037, filed March 23, 2000, should be denied.

13. Buslink's motion to dismiss A.98-03-035 and A.97-11-006, and to close these proceedings, filed March 27, 2000, should be denied.

O R D E R

IT IS ORDERED that:

1. Application (A.) 92-07-054, filed by Michael S. Mitchell and Bruce P. Hector dba Mickey's Space Ship Shuttle, is granted in part and denied in part.
 - a. PSC 5244 shall be reinstated upon satisfaction of applicable licensing requirements, as set forth below, and payment of a \$125 reinstatement fee.
 - b. A certificate of public convenience and necessity is granted to applicant, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between and among Los Angeles International Airport (LAX) and John Wayne International Airport (SNA), on the one hand, and other points in Orange County, on the other hand, to be specified by applicant in its tariffs and timetables in accordance with Appendix PSC-5244, to transport persons, luggage, and/or express.
2. A.97-11-006, filed by Preferred Transportation, Inc., dba SuperShuttle is granted. Applicant is authorized to operate in accordance with appendix PSC-8937, between and among LAX and SNA, on the one hand, and other points in Orange County, on the other hand.
3. A. 98-03-035, filed by PCSTC, Inc., dba Pacific Coast Sightseeing Tours, is granted. Applicant is authorized to operate in accordance with Appendix

PSC-1411 between and among LAX and SNA, on the one hand, and other points in Orange County, on the other hand.

4. Where the exercise of authority granted in this order results in the operation of both scheduled service and on-call service, those respective types of service shall be operated separately. This requires that the following rules be observed:

- a. On-call stops may not be added to scheduled service runs.
- b. Any flagstops included in scheduled service shall be shown on timetables at specifically scheduled times.
- c. A scheduled service run may not bypass a flagstop, and must not depart from a flagstop before the scheduled time.
- d. If any service is operated as on-call service, it may not stop at any point to which it has not been summoned in advance by a customer request.

5. All services operated to an airport pursuant to this order shall comply with the rules and regulations of the airport's governing authority.

6. Applicants shall operate services pursuant to authority granted herein in such a manner as to avoid conflict with any other operator. In order to ensure that conflict does not occur, each applicant shall comply with the following conditions:

- a. Vehicles shall be prominently marked to identify the operator.
- b. Each driver, and the company by whom he or she is employed, shall be readily identifiable, and shall be clearly distinguished from others through the use of caps, badges or uniform apparel, or any combination thereof, which enable passengers to make such identification and distinction.
- c. Only one scheduled service operator may schedule a stop at a given location at any time. An operator shall have a five-minute "window" following the scheduled time for a stop, during which no other operator may make a scheduled stop at that location. Applicants shall meet and confer prior to issuing any timetable to ensure that they comply with this requirement. Any dispute concerning compliance with this

paragraph shall be referred to the Commission's staff for informal resolution, and the decision of staff shall be final.

- d. On-call operations shall be conducted in such a manner as to avoid piracy of passengers by ensuring that only passengers who have arranged in advance for on-call service shall be picked up. On-call pickups shall not be arranged at times and places where scheduled service stops are made, unless specifically requested in advance by a passenger.

7. All applicants shall:

- a. File a written acceptance of this amended 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 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.
- g. Comply with PU Code §§ 460.7 and 1043 relating to workers' compensation laws of this State.

8. Before beginning service to any airport, an 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.

9. Each of the applicants is authorized to begin operations on the date that the Rail Safety and Carriers Division mails a notice to applicant that its 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, but in no event any sooner than the 10th day following the effective date of this order.

10. The motion of Ground Systems, Inc. (The Airport Bus) in A.98-03-035 regarding an order to show cause why the applicant should not cease and desist from its California operations, filed June 26, 1998, is denied.

11. The motion of The Airport Bus in A.97-11-006 regarding an order to show cause why the applicant should not cease and desist from its California Operations, filed September 8, 1998, is denied.

12. The motion of PCSTC, Inc. to strike portions of The Airport Bus' Reply Brief is denied.

13. The Airport Bus' petition to set aside submission and reopen A.98-03-035, filed November 24, 1999, is denied.

14. The Airport Bus' petition to set aside submission and reopen A.98-03-035, and motion to consolidate A.98-03-035 with A.99-08-037, filed March 23, 2000, is denied.

15. The motion of Buslink Corp. to dismiss A.98-03-035 and A.97-11-006 and close these proceedings, filed March 27, 2000, is denied.

This order is effective today.

Dated June 22, 2000, at San Francisco, California.

HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
CARL W. WOOD
Commissioners

President Loretta M. Lynch, being necessarily
absent, did not participate.

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Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 92-07-054.

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

Michael Mitchell and Bruce P. Hector, a partnership, by the certificate of public convenience and necessity granted, revised by the *decision noted in the foot of the margin, is authorized to transport passengers and their baggage on; (1) an "on-call" basis, between points and places as described in Sections IIA, and Section IIB and (2) *a scheduled service between Section IIA2 and the airports described in Section IIB, over and along the routes described in Section III, subject however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- a. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- b. 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.
- c. Only passengers originating from or destined to LAX, or SNA, shall be transported.
- d. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 92-07-054.

SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS (concluded).

- *e. Scheduled service will be operated only between Orange County, on the one hand, and LAX and SNA, on the other, over Routes A and B described in Section III. A description of all the stop points, including flagstops, and the arrival and departure times from such points shall be indicated in the timetable filed with the Commission.
- *f. On-call stops may not be added to scheduled service runs.
- *g. Any flagstops included in scheduled service shall be shown on timetables at specifically scheduled times.
- *h. On Routes A and B, a scheduled service run may not bypass a flagstop, and must not depart from a flagstop before the scheduled time.
- *i. If any service is operated as on-call service, it may not stop at any point to which it has not been summoned in advance by a customer request.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 92-07-054.

Appendix PSC-5244

Michael Mitchell
and Bruce Hector
(a partnership)

*First Revised Page 3
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SECTION II. SERVICE AREA.

- A. 1. Includes all points within the geographical limits of the cities of Beverly Hills, West Hollywood, and within the geographical limits of the following U.S. Postal zip codes in the City of Los Angeles:

90004, 90005, 90006, 90010, 90012, 90013, 90014, 90015,
90017, 90019, 90020, 90021, 90023, 90024, 90026, 90027,
90028, 90029, 90032, 90033, 90035, 90036, 90038, 90039,
90042, 90046, 90048, 90057, 90063#, 90065, 90067, 90068,
90069, 90071, 90077, 90079, 91604#, and 91608.

Includes portions of Los Angeles County.

2. *Orange County.

- B. 1. Los Angeles International Airport (LAX).
2. John Wayne Airport (SNA).

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 92-07-054.

SECTION III. ROUTE DESCRIPTION.

On-call, door-to-door, service

Route 1. Airports - Cities

Commencing from any point as described in *Section IIA, then over the most convenient streets, expressways, and highways to LAX or SNA airports, described in Section IIB.

Route 2. LAX - SNA

Commencing from LAX, as described in Section IIB1, then over the most convenient streets, expressways, and highways to SNA, as described in Section IIB2.

*Scheduled Service

Route A. LAX - Orange County

Commencing from any point described in Section IIA2, then over the most convenient streets, expressways, and highways to the airport described in Section IIB1.

Route B. SNA - Orange County

Commencing from any point described in Section IIA2, then over the most convenient streets, expressways, and highways to the airport described in Section IIB2.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 92-07-054.

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

Preferred Transportation, Inc., a corporation, by the certificate of public convenience and necessity granted, revised by the *decision noted in the foot of the margin, is authorized to transport passengers and their baggage on; (1) an "on-call" basis, between points and places as described in Section IIA, and points or places described in Section IIB and (2) *a scheduled service between points and places as described in Section IIA2, and Sections IIB1 and IIB2, over and along the routes described in Section III, subject however, to the authority of this Commission to change or modify this authority 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 any airport unless such operation is authorized by the airport authority involved.
- b. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- c. No passengers shall be transported except those having a point of origin or destination at LAX, SNA, LGB, ONT, BUR, LAHBR, LBHBR, or the LAMTRAK.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 97-11-006.

SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS (concluded).

- 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. No passengers shall be transported except those having a point of origin or destination as described in Section IIB.
- *f. Scheduled service will be operated only between Orange County, on the one hand, and LAX and SNA, on the other, over Routes A and B described in Section III. A description of all the stop points, including flagstops, and the arrival and departure times from such points shall be indicated in the timetable filed with the Commission.
- *g. On-call stops may not be added to scheduled service runs.
- *h. Any flagstops included in scheduled service shall be shown on timetables at specifically scheduled times.
- *i. A scheduled service run may not bypass a flagstop, and must not depart from a flagstop before the scheduled time.
- *j. If any service is operated as on-call service, it may not stop at any point to which it has not been summoned in advance by a customer request.
- *k. Scheduled service shall be operated exclusively with equipment distinctively identified as "Preferred Transportation" to distinguish it from equipment used by Super Shuttle in on-call service.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 97-11-006.

Appendix PSC-8937

Preferred Transportation, Inc.
(a corporation)

*First Revised Page 3
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Original Page 3

SECTION II. SERVICE AREA.

A. Points and places in the:

1. County of Los Angeles.
2. County of Orange.
3. Following cities and communities in the County of San Bernardino:
Bloomington, Chino (Chino Hills), Colton, Devore, Fontana, Grand Terrace, Highland, Hisperia, Loma Linda, Montclair, Ontario, Rancho Cucamonga (including Alto Loma and Etiwanda), Redlands, Rialto, San Bernardino, Upland and Victorville.
4. Following cities and communities in the County of Riverside:
Canyon Lake, Corona, Glen Ivy, (Glen Ivy Hot Springs), Lake Elsinore, Mira Loma, Moreno Valley, Norco, Perris, Riverside, Rubidoux, Sun City and Woodcrest.
5. Following cities and communities in the County of Ventura:
Bell Canyon, Camarillo, Filmore, Moorpark, Newbury Park, Oak View, Ojai, Oxnard, Piru, Port Hueneme, Point Mugu, Santa Paula, Santa Susana, Simi Valley, Somis, Thousand Oaks, Ventura and Westlake Village.

- ### B.
1. Los Angeles International Airport (LAX).
 2. John Wayne Airport (SNA).
 3. Long Beach Airport (LGB).
 4. Ontario International Airport (ONT).
 5. Burbank Airport (BUR).
 6. Los Angeles Harbor (LAHBR).
 7. Long Beach Harbor (LBHBR).
 8. Los Angeles AMTRAK Station (LAMTRAK).

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 97-11-006.

Appendix PSC-8937

Preferred Transportation, Inc.
(a corporation)

*First Revised Page 4
Cancels
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SECTION III. ROUTE DESCRIPTION.

On-Call Service

Route 1. On-call, door-to-door, operations

Commencing from any point as described in Section IIA, then over the most convenient streets, expressways, and highways to the points and places described in Section IIB.

*Scheduled Service

Route A. LAX – Orange County

Commencing from any point described in Section IIA2, then over the most convenient streets, expressways, and highways to the airport described in Section IIB1.

Route B. SNA – Orange County

Commencing from any point described in Section IIA2, then over the most convenient streets, expressways, and highways to the airport described in Section IIB2.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 97-11-006.

Appendix PSC-1411

PCSTC, Inc.
(a corporation)

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Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 98-03-035.

SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS (concluded).

- *e. On-call stops may not be added to scheduled service runs.
- *f. Any flagstops included in scheduled service shall be shown on timetables at specifically scheduled times.
- *g. On Routes E and F, a scheduled service run may not bypass a flagstop, and must not depart from a flagstop before the scheduled time.
- *h. If any service is operated as on-call service, it may not stop at any point to which it has not been summoned in advance by a customer request.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 98-03-035.

Appendix PSC-1411

PCSTC, Inc.
(a corporation)

Fourth Revised Page 3
Cancels
Third Revised Page 3

SECTION 2. SERVICE AREAS.

- A. Disneyland Service Area (Anaheim City) (Route A)
That portion of the City of Anaheim, which is bounded by; Vermont Ave on the north, State College Blvd on east, Anaheim city limit on the south, and Walnut St on the west.
- B. Anaheim Service Territory (Route B)
All of the hotels and motels which are bounded by; Lincoln Ave on the north, State College Blvd on the east, Chapman Ave on the south and Euclid Ave on the west.
- C. Five City Origin Territory
Within the incorporated city limits of Anaheim, Buena Park, Fullerton, Garden Grove, and Orange, located within the County of Orange.
- *D. Airport Service
Between points in Orange County, on the one hand, and Los Angeles International and John Wayne Airports, on the other hand. This service may also be operated on an on-call basis.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 98-03-035.

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PCSTC, Inc.
(a corporation)

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SECTION 3. ROUTE DESCRIPTIONS (concluded).

*Route E - Los Angeles International Airport (LAX)

Commencing from any point in Orange County, then over the most convenient streets and highways to LAX.

*Route F - John Wayne Airport (SNA)

Commencing from any point in Orange County, then over the most convenient streets and highways to SNA.

Issued by California Public Utilities Commission.

*Revised by Decision 00-06-073, Application 98-03-035.