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MAIL DATE
1/21/99

Decision 99-01-028

January 20, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SuperShuttle International, Inc., a
Delaware corporation, to acquire
Preferred Transportation, Inc.
(PSC-8937), a California corporation
and Tamarack Transportation, Inc.
(PSC-9635), a California corporation.

A.98-04-030
(Filed April 21, 1998)

ORDER DENYING REHEARING OF DECISION 98-11-057

By Decision 98-11-057, SuperShuttle International, Inc. (SuperShuttle) was granted its request to acquire control of Preferred Transportation, Inc. (Preferred) and Tamarack Transportation, Inc. (Tamarack) as wholly owned subsidiaries. However, the decision also ordered the Rail Safety and Carriers Division (the Staff) to look into allegations of wrongdoing by SuperShuttle, including possible violations of Public Utilities Code §§ 851-854 and of Rule 1 of the Commission's Rules of Practice and Procedure.

Ground Systems, Inc. (GSI) alleges that SuperShuttle knowingly made false statements both to this Commission and the Securities Exchange Commission (SEC) in the course of this proceeding. Specifically, GSI alleges (1) that SuperShuttle falsely represented that the Los Angeles Airport was reluctant to grant a concession license to Tamarack and Preferred until SuperShuttle's purchase had been approved; (2) certain misrepresentations were made by counsel for SuperShuttle to Applicant to induce withdrawal of his protest; and (3) SuperShuttle falsely represented in its SEC filing that Commission approval of the acquisition had been previously approved.

As SuperShuttle points out in its Response to the Application, GSI made these same allegations during the course of the proceeding. Further, the Commission specifically addressed its concern for these issues at page 3 of the decision:

“The Assigned Commissioner determined that a hearing was not necessary in this proceeding, in that he was of the opinion that even if proved, the conflict between the SEC filing and the filing before this Commission would not render SuperShuttle unfit to receive a certificate as a passenger stage corporation under the terms of the merger. Therefore, he directed the hearing scheduled for November 9, 1998 be cancelled. The Assigned Commissioner is concerned about the allegations raised by Protestant and desires the Rail Safety and Carriers Division report to the Commission within 60 days of the date of this order with suggestions on whether further investigations into these allegations are warranted and if so, how the Commission should proceed. He also desires the Staff look into whether there have been any violations of PU Code §§ 851-854 and/or Rule 1 of the Commission’s Rules of Practice and Procedure and provide a letter to the Assigned Commissioner and ALJ on the results of this review. We agree with all the positions of the Assigned Commissioner.”

The decision went on to order the Staff to conduct an investigation and report to the Assigned Commissioner within 90 days, February 19, 1999. To date, the report has not been issued.

Applicant has pointed out no errors of law or fact in the decision as required by PU Code § 1732, which provides:

“The Application for Rehearing shall set forth specifically the ground or grounds on which the applicant considers the decision or order to be unlawful...”

Rather, Applicant has reiterated the same allegations of wrongdoing by SuperShuttle that were specifically addressed and provided for in the decision.

Since no legal or factual errors have been alleged, rehearing should be denied. However, this proceeding will remain open pending receipt of the Staff report.

IT IS ORDERED that:

1. Rehearing of Decision 98-11-057 is denied.
2. This proceeding will remain open pending receipt of the Staff report.

This order is effective today.

Dated January 20, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners