

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Resolution TL-18875  
Rail Safety and Carriers Division  
December 17, 1998  
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**RESOLUTION**

**RESOLUTION AUTHORIZING PASSENGER STAGE CORPORATIONS  
TO USE THE ADVICE LETTER PROCESS TO OBTAIN COMMISSION  
APPROVAL OF CERTAIN TRANSACTIONS SUBJECT TO PUBLIC  
UTILITIES CODE SECTIONS 851-854.**

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**SUMMARY**

This resolution authorizes passenger stage corporations to use the Advice Letter process as an alternative to a formal application to the Commission when seeking approval of certain transactions involving the transfer assets or control pursuant to Public Utilities (PU) Code Sections 851-854.

**BACKGROUND**

Passenger stage corporations and other public utilities under the Commission's jurisdiction are subject to the provisions of Sections 851-854 of the PU Code. These sections require that any transfer of assets or control of a public utility first be approved by the Commission. Passenger stage corporations are required to obtain authorization for such transactions by formal application to the Commission.

By Application 98-04-061, SuperShuttle of San Francisco, Inc. and its certificated affiliates (SuperShuttle) requested to be exempted from the provisions of Sections 851-854 to permit SuperShuttle to acquire the assets or control of, or merge with, other certificated passenger stage corporations. It proposed using the Advice Letter process as an alternate means of obtaining Commission approval under Sections 851-854 in these limited circumstances. In support of its request, SuperShuttle cited prior Commission decisions in which it and SuperShuttle of Los Angeles, Inc. were granted exemptions from PU Code Sections 816-830 (stocks and security transfers) and 851 (transfer or encumbrance of utility property, to the extent it served to secure debt). Also cited by SuperShuttle was the Commission decision which authorized interexchange telephone

carriers to use the Advice Letter process to obtain approval of asset transfers pursuant to Sections 851-854.

The Commission approved SuperShuttle's request by Decision (D.) 98-10-031, dated October 8, 1998. We found that the Commission has authority to change or eliminate the procedure for reviewing transfers of control or assets which are subject to Sections 851-854. We also found that SuperShuttle's use of the Advice Letter process would substantially shorten the time for approval of a request for authority to transfer assets or control while at the same time retaining the Commission's discretion to initiate a formal review of any such transactions.

### DISCUSSION

Like interexchange telephone carriers, ground transportation providers operate in a competitive environment. By D. 98-10-031, SuperShuttle was granted essentially the same authorization the Commission gave interexchange telephone carriers in D. 94-05-051. The authorization given to interexchange telephone carriers applies industry-wide. Similarly, we believe the streamlined approval process SuperShuttle has been authorized to use in connection with certain transactions subject to Sections 851-854 should be made available to all passenger stage corporations and their parent entities. Simplifying our regulatory oversight will not compromise the public interest. As we noted in D. 98-10-031, the Advice Letter process reserves the opportunity to review a proposed transaction to both the Commission and other providers and to seek, if necessary, further scrutiny by the Commission in the formal application process.

The rules for advice letter filings are set out in General Order (GO) 96-A. This general order does not apply to passenger stage corporations. However, under the procedure we are now approving, the general rules in GO 96-A will apply to advice letter filings by passenger stage corporations.

**THEREFORE, IT IS ORDERED that:**

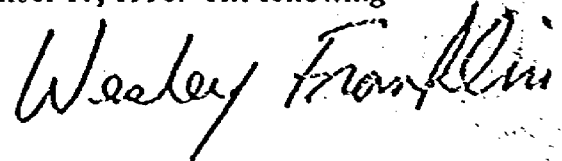
1. Passenger stage corporations may use the Advice Letter process set out below to obtain Commission authorization for transactions subject to Public Utilities Code Sections 851 through 854(a). This process shall not be applied where an entity acquiring assets or control is not either an already certified passenger stage corporation or the parent of a presently certified entity.
2. The procedural rules for advice letters found in General Order (GO) 96-A shall apply to all advice letter filings by passenger stage corporations.

3. The advice letter shall identify the certified entity(ies) and any parent of a certified entity involved in the transaction. The advice letter shall describe the terms of the transaction and shall be served on the Director of the Commission's Rail Safety and Carriers Division and those persons to whom the parties to the transaction are required to serve tariff changes under GO 96-A. The advice letter shall be accompanied by financial statements for any carrier that will continue operations after the proposed transaction and shall state any tariff modifications.
4. Notice of the advice letter filing shall appear in the Commission's Daily Calendar. Pursuant to GO 96-A, III, H, persons may file protests no later than 20 days after the date of the advice letter filing.
5. In response to a protest, or of its own accord, the Commission may suspend the advice letter and order further proceedings.
6. If not suspended by the Commission, the advice letter shall become effective 40 days after filing with the Commission.

The Executive Director shall mail a copy of this resolution to every passenger stage corporation holding a certificate from the Commission.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted by the Commission at its regularly scheduled meeting on December 17, 1998. The following Commissioners voted favorably thereon:



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WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners