

Application Decision

Application:	145-08
Applicant:	C.G.V.I.P. Services Inc.
Trade Name:	Centurion Group VIP Services
Address:	1276 Durant Drive, Coquitlam BC V3B 6S4
Principals:	BROMBALE, Lou Victor FUDGE, Stephen Joseph SCHILLING, John Charles
Special Authorization:	None
Summary:	New Special Authorization (PDV) <i>(Section 26 of the Passenger Transportation Act)</i> <ul style="list-style-type: none">Proposed new special authorization to operate passenger directed vehicles in Vancouver with a maximum fleet size of 5 vehicles that accommodate a driver and not less than 6 and not more than 11 passengers.
Publication:	The application was published in the <i>PT Board Bulletin</i> on March 5, 2008
Submissions:	None
Board Considerations:	The Board may approve an application forwarded to it from the Registrar of Passenger Transportation if the Board considers, as set out in section 28(1) of the <i>Passenger Transportation Act</i> , that: <ul style="list-style-type: none">(a) there is a public need for the service the applicant proposed to provide under any special authorization.(b) the applicant is a fit and proper person to provide that service and is capable of providing that service, and(c) the application, if granted, would promote sound economic conditions in the passenger transportation business in British Columbia. The Board may approve a special authorization if all three provisions are answered in the affirmative. The Board may refuse a licence if any one provision is answered in the negative.
Application Matters:	For applications pertaining to limousines, the Board looks at the business plan and financial statements when considering applicant fitness, sound economic conditions as well as public need. The Board also considers evidence of public need from third parties who make bookings or referrals for passengers who would use these types of services. The length and complexity of the business plan and financial information as well as the volume of letters or statements from third parties should reflect the following factors: the type, size, and complexity of the proposed transportation business; and the degree of comparable competition in the operating area. Regardless of how much supporting material is provided, it is up to the applicant to guide

the Board as to what conclusion it should reach based on the supporting data and information that it submits with its application.

The *Application Handbook*, a companion to the application package and forms, contains information on application requirements and Board considerations.

Board Decisions: **The special authorization sought by the applicant is approved.**

The terms and conditions sought by the applicant are approved as set out in this decision.

Background: This is an application for a new Special Authorization Licence to operate 5 passenger directed limousines with a capacity of a driver and not less than 6 and not more than 11 passengers in Licence Districts 9, 9A, 14, 14A and 15. The applicant is also requesting return trip authorization.

The applicant, Centurion Group VIP Services Inc. (Centurion) is an incorporation of 2 partnership companies: MP Transportation Services; and VPD Transportation Services. Centurion is currently comprised of 3 business partners, who are all retired police officers and who, for the last 4-5 years, have worked for various limousine companies in the Vancouver area. All of the 3 partners hold Class 4 Driver and Chauffeur licences. They also hold Private Investigator and Security Licences issued by the BC Ministry of the Solicitor-General. All have extensive police experience.

Mr. Lou Brombale, President has owned and operated his own transportation company, MP Transportation Services, for the past 5 years and previously served 29 years with the RCMP, where he was trained in VIP security and assigned to the Diplomatic Protection Section. Mr. Stephen Fudge, Vice-President served 32 years with the Vancouver Police Department (VPD), participated in senior management budget planning and represented the VPD on the executive of the B.C. Association of the Chiefs of Police (BCACP) Traffic Safety Committee. Mr. Fudge is also a certified instructor trained at the Canadian Police College in Ottawa, is trained in VIP security, has assisted in motorcade movements for major events and was assigned as a Security Coordinator for the 1997 APEC Conference in Vancouver. Mr. John Schilling, Secretary-Treasurer served 29 years with the VPD during which he was assigned to accompany visiting dignitaries and other high profile officials. Mr. Schilling has an extensive supervisory background together with training in a wide range of surveillance techniques.

Centurion currently owns 4 SUV's which are licensed and used by existing limousine companies to provide overflow" services. This application is for 5 Special Authorization licences; 4 for its existing vehicles and 1 for an expansion vehicle in 2008, which will allow it to provide a safe and secure transportation service for corporate, executive, athletic and entertainment VIP clients.

All of this fleet would be comprised of Black SUVs to suit the target client. The applicant reports that the VIP it is targeting would not qualify for police protection, but who, because of their profile, is security conscious and requires a level of secure transportation with a trained security driver. Apart from providing this limousine transportation option, the company would also offer accessory services including threat assessments, security advances, site security and motorcade type transportation.

1. Prior to making a decision on the application , the board asked the applicant to clarify its existing arrangements with other licensed transportation providers.

The applicant replied with the following information which has been abbreviated in some areas for the purposes of this application:

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1. The 4 Centurion SUV's are licensed as owner/operator vehicles by existing limousine companies namely Griffin Transportation Services Inc., Imperial Transportation and Diamond Limousine for which Centurion does "overflow" business when the existing companies are unable to provide a limousine service with their existing fleets. Centurion is not a partner with these companies and their 4 vehicles are not leased to the other companies, but are provided for use under their licence.

Centurion is brokering its' own unique service through the above companies and brokers other services such as tours, hourly charters and point to point transfers.

2. Driving is always done by the Centurion owner/operators. Billing, booking and dispatch is done by associate companies that the Centurion vehicles are licensed under. The drivers are compensated on a commission basis. Drivers are aware of the territory the vehicles are allowed to operate by the specifics on the trip sheets which are provided by the associate companies for each trip. Also copies of each Passenger Transportation Licence specifying the license areas are carried in each vehicle.
3. The associate companies are all established successful, licensed limousine transportation businesses. These associate companies lend their experience and infrastructures when providing Centurion overflow business.
4. MP and VDP Transportation Services will continue to operate under the umbrella of Centurion.
5. The applicant is seeking authority to licence only its existing 4 SUV's and another to be obtained SUV for a total of 5 licences. Centurion when requested and whenever it is able will continue to provide overflow business to the licensees with which it is currently associated. Centurion will continue to exercise the same care and control of its drivers that is applied by all other licensed carriers.

Centurion's application materials included a Vehicle and Service Proposal, a Business Plan, Financial Statements, Public Need Indicators, Rates and Rules and Disclosures of Passenger Transportation Ownership. The application also included 10 user support statements. These user support statements are from individuals and representatives of businesses and corporations and provide testimony that the applicant is highly professional, dependable and reliable and who maintain their Black SUVs in immaculate condition. The file also included 22 thank you letters for the company's service donations to various charitable causes and events

Reasons:

1. *Is the applicant a fit and proper person to provide the service that the applicant proposes to provide under special authorization, and is the applicant capable of providing that service?*

The Board considers "applicant fitness" from two perspectives, or in two steps: (a) is the applicant a "fit and proper person" to provide the proposed service; and (b) is the applicant capable of providing that service?

The fit and proper test relates to such matters as the conduct and character of an applicant and whether the applicant's proposed operations are structured or organized in such a way that the applicant will be able to meet its obligations as set out in the Passenger Transportation Act and Regulations. It also includes the requirement to keep care and control over the operations conducted under the licence and to ensure that vehicles are operated properly by the drivers with respect to the Regulations.

The second part of the fitness test involves information and evidence that demonstrates the applicant has the capability to manage the proposed service. Business plans and financial statements are often a main source of this information. Indicators that may

guide the Board in making its decision include whether the applicant has the experience and transferable skills to manage the proposed service, whether the applicant shows understanding of what is need to manage the proposed service, and whether the applicant has the resources to sustain operations throughout the implementation phase and to continue after becoming fully operational.

The applicant has provided sufficient background information that satisfies and demonstrates to the panel that the applicant has the requisite skills, knowledge, abilities, adherence to safety standards and vehicle maintenance, together with the qualifications and experience in a specialized security area to manage the proposed business. Centurion's hiring and training plan for future drivers, who will come from the ranks of retired police officers and be provided appropriate training and courses in VIP Security and Driving by Mr. Fudge, suggests a viable succession and sustainability of the human resources required for the services proposed.

I find the applicant is a fit and proper person to provide the service proposed and is capable of providing the service.

II. *Would the application, if granted, promote sound economic conditions in the passenger transportation business in British Columbia?*

The Board approaches the "economic conditions" issue from a broad perspective. The economic conditions of the "transportation business in British Columbia" are considered ahead of the economic and financial interests of an individual applicant or operator. The Board supports healthy competition within passenger transportation markets. As well, the Board discourages destructive forms of competition that could unduly harm existing service providers.

Centurion's proposed limousine service in the submitted business plan suggests the applicant will provide a safe and secure limousine service in a defined niche market of VIPs from the corporate executive, athletic, and entertainment fields. The applicant will target these special "high-end" clients through its web-site, the media and through personal contact and networking with the RCMP, Municipal Police Agencies, Local and Foreign Consulates and existing limousine companies. The service is focused on specialized client using smaller black luxury SUV's with a maximum seating capacity of 7 passengers excluding the driver.

Although the proposed operating area is well populated with 50 plus limousine service providers, I find the service proposed with this application to be uniquely specialized and distinct offering a "value-added" benefit and options not currently offered by other limousine providers in the operating area. The panel believes the addition of a new service with 5 vehicles that is focused on providing an additional security feature that many other limousine companies do not provide, should have a minimal impact on current limousine providers in the operating area.

Several letters from competing limousine companies suggest positive business relationships that benefit both the public and the companies. The proposed rates as outlined in the business plan appear to be with the industry norms for the operating area.

I find that the economic conditions in the passenger transportation business in BC would be enhanced by the addition of this unique service to the Lower Mainland area.

The proposed rates as outlined in the business plan appear to be within the industry norms for the operating area. The panel, however, has one issue with respect to the reference of a 7% fuel surcharge noted as one of the "add-on" rates. Subject to the Board's published policy on fuel surcharges proposed by non-taxi PDVs, the applicant has

not met the requirement for charging a fuel surcharge. The panel suggests that the applicant review this policy and its procedures and if desired, under separate cover of this application, make a Change of Rates application for a fuel surcharge.

III. *Is there a public need for the service that the applicant proposes to provide under special authorization?*

Applicants wanting to operate limousines as a new PDV service should provide evidence of an unmet public need in that area.

The applicant to demonstrate public need cites statistics and other information in its business plan to show growth trends in population and tourism volumes, and the specific impact on the latter of the cruise ship business and Vancouver International Airport, the upcoming 2010 Olympics, the popularity and growth of Whistler and the expansion of the Vancouver Convention and Exhibition Centre (VCEC). Added to this, the applicant states the major transportation infrastructure improvements in Vancouver will require further subsidiary transportation facilities such as limousine services and refers to the City of Vancouver's plea for more transportation services. The applicant also notes the expansion of key industries such as the film and high-tech digital (e.g. video game development) which involve executive and entertainment VIPs who will require the services they propose. The panel gave this general information little weight as it did not substantiate the public need in the specific market to be targeted.

The panel, however, did find the user support statements useful, particularly those from security or protection services companies and corporations which state they have and will continue to use the applicant and who will recommend the service to others. These companies state their executive/VIP clients require and demand an advanced level of transportation service involving drivers with the knowledge and skills to work and communicate with their client's private security personnel and/or other clients who want added pre-planned threat assessments or anti-threat analyses performed. One letter was from Air Canada's Corporate Security – Western Division, which spoke about the applicant's diligence and professionalism in assisting the company with the transportation of a demanding and significant celebrity did involve pre-planned security measures. Several reported that the advanced level of transportation services offered by Centurion cannot be performed or are not available from existing limousine providers.

Taking into consideration the evidence of public need that is acceptable to support a discretionary service such as this unique limousine/security service may be different than that for services such as taxi's and Inter City buses, the panel on balance finds the evidence sufficiently persuasive to demonstrate a public need.

The applicant indicates and refers to the need of specialized training for VIP security and driving as an integral part of their proposed company's success as limousine/security service. To ensure the applicant pursues and maintains its major purpose as a limousine/security service, the panel imposes a service limitation that all drivers for Centurion must undergo training in VIP security and training. The use of SUVs with a maximum seating capacity of 7 excluding the driver is also noted in the business plan as integral to the "branding" and success of the company. These will be reflected in the terms and conditions of licence.

Activation:

A Passenger Transportation Licence must be issued by the Registrar of Passenger Transportation under section 29(1) of the Passenger Transportation Act before the special authorization may be exercised.

Unless otherwise specified by the Board, this approval of the application expires if the

applicant has not received a licence issued by the Registrar within one year of the date this decision is published by the Board.

Special Authorization:

Passenger Directed Vehicle (PDV)

Terms & Conditions:

Vehicles:

- Maximum Fleet Size: 5 passenger directed vehicles
- Vehicle Capacity: A driver and 7 passengers.
- Specialty Vehicles: Sport Utility Vehicles must be operated.

Business Limitation

C.G.V.I.P. Services Inc. must retain an instructor certified by an accredited Canadian police force or training institution to teach VIP security and driving.

Driver/Operator Limitation

Any and all drivers of vehicles operated under the PT licence of C.G.V.I.P. Services Inc. must: (a) be provincially licensed as a security and/or security patrol guard; or, (b) successfully complete an in-house VIP security and driving course taught by an instructor certified as an instructor by an accredited Canadian police force or training institution.

Service 1:

The following terms and conditions apply to Service 1.

- Originating Area: Transportation of passengers may only originate from points within Licence Districts 9, 9A, 14, 14A and 15.
- Destination Area: Transportation of passengers may terminate within British Columbia and beyond the British Columbia border when engaged in an extra-provincial undertaking.
- Return Trips: The same passengers may be returned from where their *return trip* terminates in the *destination area* to any point within the *originating area* when the *return trip* is arranged by the time the originating trip terminates.

Rates:

Passenger Directed Vehicle (PDV)

The Board approves the rates and rules proposed by the applicant as follows:

Time Rates (Charter)	Rate \$
Hourly Rate	80.00
Additional ¼ hour increments after 1 st hour	20.00

- **Minimum charge 1 hour**
- **GST is not included**
- **15% Gratuity not included**
- **\$7.00 airport parking fee not included**

Time Rates (Point to Point)	Rate \$
Vancouver to:	
Within City Limits	80.00
Whistler	300.00
Victoria (does not include ferry costs)	525.00
Seattle WA	500.00
Sea-Tac Airport WA	525.00

YVR Arrivals to:	
Vancouver	100.00
Whistler	325.00
Victoria (does not include ferry costs)	550.00
Seattle WA	525.00
Sea-Tac Airport	550.00
YVR Departures from:	
Vancouver	80.00
Whistler	325.00
Victoria (does not include ferry costs)	550.00
Seattle WA	525.00
Sea-Tac Airport	550.00

General:

- GST is not included in the rates.
- Other rates and rules may be set out in the rates document received from the applicant.

Transfer of a
licence:

This special authorization may not be assigned or transferred except with the approval of the Board pursuant to section 30 of the Passenger Transportation Act.

Board Panel Chair:

William Bell

Determination Date:

April 23, 2008