

Decision No. 21602

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE GRAY LINE, INC., a corporation,
for a certificate to transport air
line passengers and their baggage
for compensation, by automobile,
between San Francisco and Oakland
and the airport at Treasure Island
in San Francisco Bay.

ORIGINAL

Application No. 22485.

BY THE COMMISSION:

OPINION

In this application, as supplemented, The Gray Line, Inc. seeks a certificate of public convenience and necessity for the transportation of airplane passengers and their baggage between San Francisco and Oakland on the one hand, and the recently established air base at Treasure Island in San Francisco Bay on the other hand, as an extension and enlargement of an operative right heretofore acquired by applicant in Decision No. 30952, rendered on June 6, 1933. The rights acquired by applicant in Decision No. 30952 were those created by Decision No. 22534, dated June 13, 1930, on Application No. 16540, Decision No. 25473, dated December 23, 1932, in Application No. 18601, and Decision No. 30226, dated October 11, 1937, on Application No. 21491.

The service proposed by applicant is a specialized service for the automotive transportation of airplane passengers and their baggage, similar to that now rendered to and from the other airports served by applicant in the San Francisco Bay Area. The time schedules to provide for the operation are dependent upon the arrival and departure of airplanes. The proposed fare for transportation between the island air base and either San Francisco or Oakland is to be one dollar (\$1) for each passenger in addition to the bridge tolls. The

equipment to be used is the same as that now employed in applicant's existing service.

As justification for the authority sought applicant alleges that a new and additional airport is now being established on Treasure Island located in San Francisco Bay; that the Pan American Airways Company has a base at said airport to and from which base their ships will regularly operate in lieu of operating to and from the Alameda Airport as at present; and that applicant has been requested to render the same service to and from said air base at Treasure Island for the automotive transportation of airplane passengers and their baggage as is now rendered to and from the other airports served by applicant.

Applicant has requested that the authority sought be granted without public hearing and in support thereof alleges that it has just been advised by Pan American Airways Company that its Clipper Ships will take off from said air base at Treasure Island beginning January 31, 1939, and that said Ships will begin to land on February 1, 1939; that for this reason it becomes imperative that the service be made available to and from said air base on January 31, 1939; and that the necessity for applicant's service to and from the air base at Treasure Island has become an emergency need due to the early date on which the Clipper Ships will establish air service to and from said air base.

Applicant further urges and alleges that the service proposed by it is different in character from any other service available to and from Treasure Island or to and from any other airports which applicant serves and that no other carrier in this territory is equipped to, or does in fact, furnish the highly specialized type of service which applicant here proposes and which is required in transporting airline passengers and their baggage.

We are of the opinion that the service proposed by applicant is in the public interest and that no public hearing is necessary. The application will be granted.

The Gray Line, Inc. is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

O R D E R

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the establishment and operation by The Gray Line, Inc. of a service as a passenger stage corporation as defined in section 24 of the Public Utilities Act for the transportation of passengers and their baggage between San Francisco and Oakland on the one hand, and the Treasure Island air base on the other hand, as an extension and enlargement of the operative rights heretofore created by Decision No. 22534, dated June 13, 1930, on Application No. 16540, Decision No. 25478, dated December 23, 1932, on Application No. 18601, and Decision No. 30226, dated October 11, 1937, on Application No. 21491.

IT IS ORDERED that a certificate of public convenience and necessity therefor is hereby granted to The Gray Line, Inc. subject to the restriction:

Service may be given to passengers and their baggage between termini only and only to those passengers arriving or departing on airplanes operated to or from Treasure Island air base,

and subject to the following conditions:

1. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from date hereof.

2. Applicant shall commence the service herein authorized within a period of not to exceed thirty (30) days from the effective date hereof, and shall file in triplicate, and concurrently make effective on not less than one day's notice to the Railroad Commission and the public, a tariff or tariffs constructed in accordance with the requirements of the Commission's General Orders and containing rates and rules which in volume and effect shall be identical with the rates and rules shown in the application in so far as they conform to the certificate herein granted, or rates and rules satisfactory to the Railroad Commission.

3. Applicant shall file in duplicate, and make effective within a period of not to exceed thirty (30) days after the effective date of this order, on not less than one day's notice to the Railroad Commission and the public, a time schedule or time schedules covering the service herein authorized in a form satisfactory to the Railroad Commission.

4. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been obtained.

5. No vehicle may be operated by applicant herein unless such vehicle is owned by said applicant or is leased by applicant under a contract or agreement on a basis satisfactory to the Railroad Commission.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 30th day of

January, 1939.

Ray Bivansky
Donald R. Denton
Carl H. Riley
W. H. Miller
Justus J. Cameron
COMMISSIONERS