

**ORIGINAL**Decision No. 50678

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 AIRPORTTRANSIT, a corporation, for )  
 the modification of its certificate )  
 of public convenience and necessity )  
 authorizing the operation of a pas- )  
 senger stage service. )

Application No. 35675

Arlo D. Poe, for applicant.  
Melvin E. Gainder, for Department of Public  
 Utilities and Transportation of the  
 City of Los Angeles, interested party.

O P I N I O N

Applicant now operates a deluxe-type bus service primarily for air-line passengers between the Biltmore and Statler Hotels in downtown Los Angeles and the Roosevelt Hotel in Hollywood, on the one hand, and the Los Angeles International Airport, Grand Central Air Terminal, and Lockheed Air Terminal, on the other hand.

By this application it seeks authority to add the Ambassador Hotel, located at 3400 Wilshire Boulevard, as a point of service between said hotel and the Los Angeles International Airport. It proposes to charge a one-way adult fare of \$1.50. ✓

A public hearing was held at Los Angeles on September 14, 1954 before Examiner Mark V. Chiesa. ✓

Evidence, oral and documentary, was presented by applicant, showing that there is a public need for the proposed service and we so find. The area in the vicinity of the Ambassador Hotel has, in the recent past, been developed into a major business section. Besides numerous hotels and apartments, firms such as Prudential Insurance, Farmers Inter-Insurance Exchange, Texaco, Tishman Buildings, Cosgrove Insurance Company, Hancock Life Insurance

Company, and many others have either completed buildings in the area, or have moved their offices there.

The record shows that there is no material difference in the type of service proposed from the Ambassador Hotel from that now operated from the Biltmore, Statler, or Roosevelt Hotels. The distance from the latter hotels to the Los Angeles International Airport is between 13.2 miles and 13.7 miles, and from the Ambassador Hotel it will be 13.1 miles. The present one-way adult fare between the hotels now served and the Los Angeles International Airport is \$1.09.

As justification for the proposed higher fare to and from the Ambassador Hotel, applicant's president stated that a higher fare was necessary because applicant did not expect as much business from that point as it is now receiving from the other named points of service, and that applicant and representatives of certain organizations in said area had agreed to the proposed fare of \$1.50. The assistant manager of the Ambassador Hotel stated his opinion that the hotel guests would not object to the proposed charge.

Applicant also presented an estimate of revenue and expense covering a period of 99 days, showing that a loss of \$650.27 would result from the Ambassador operation. Said estimate was based on the number of passengers actually transported over a like period of time when the service was previously operated. Several witnesses, however, predicted that more persons would now use the service.

Additional evidence presented shows that for the year ending July 31, 1954 applicant operated at a net profit of \$69,614.43. For the month of July, 1954, the net profit shown was \$4,250.25.

The Commission having considered the evidence of record is of the opinion and finds that the variance in fares for

practically identical services is not justified. The application will be granted in part and denied in part.

O R D E R

A public hearing having been held in the above-entitled matter, the Commission being fully advised in the premises and having found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be, and it hereby is, granted to Airporttransit authorizing the establishment and operation of a service as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, for the transportation of passengers between 3400 Wilshire Boulevard, Los Angeles, and the Los Angeles International Airport as an extension of the service authorized by Decision No. 41722 in Application No. 29317, as amended by Decision No. 47445 in Application No. 33490.

(2) That the one-way adult fare for the service herein authorized shall be \$1.09.

(3) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

(a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.

(b) Within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and to the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs satisfactory to the Commission.

(4) That except as hereinabove authorized, Application No. 35675 be and it hereby is denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at \_\_\_\_\_, California, this 19th day of OCTOBER, 1954.

Peter E. Mitchell  
President  
Justin F. Orourke  
Bennett Potts  
Gene Higgins  
Ray L. Williams  
Commissioners