

Decision No. 56447

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)

(a) NORMAN W. HOLMES, individually)
and doing business under the firm name and)
style of Mayfair Suburban Lines for author-)
ity to sell and BARRETT TRANSPORTATION, INC.,)
a California corporation, to purchase a)
highway passenger stage operating right for)
the transportation of passengers, their)
baggage, and express between the City of)
San Jose, Santa Clara County, California)
and San Francisco International Airport,)
San Mateo County, California, pursuant to)
Section 851 of the California Public Utili-)
ties Code, and for extension of such service)
to intermediate points.)

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(b) BARRETT TRANSPORTATION, INC., a)
California corporation, for an increase in)
the rate set forth in the Tariff governing)
the aforementioned service, heretofore)
submitted by Mayfair Suburban Lines and)
presently on file with the Public Utilities)
Commission.)

(c) BARRETT TRANSPORTATION, INC., a)
California corporation, for authority to)
extend its existing operations servicing)
San Francisco International Airport..)

O P I N I O N

In this joint application, as amended, Norman W. Holmes, doing business as Mayfair Suburban Lines, hereinafter referred to as Mayfair, and Barrett Transportation, Inc., hereinafter referred to as Barrett, seek Commission authorization for:

(1) Mayfair to sell and Barrett to purchase Mayfair's present passenger stage operating rights between San Jose and the San Francisco International Airport.

(2) Barrett to raise the present fares between San Jose and said airport if the above transfer is authorized.

(3) Barrett to extend its present operations over U.S. Highway 101 to cover the transportation of airline passengers, and their baggage, between San Francisco International Airport and San Jose, including service to intermediate points between Palo Alto and San Jose. Barrett also proposes to operate over U.S. Highway 101 Bypass (Bayshore Highway) serving intermediate points on this latter highway between San Jose and said airport.

The applicants allege that the application is in the public interest because:

1. Barrett is already in the passenger stage business with drivers and personnel well experienced in airline passenger transportation.
2. Barrett possesses operating facilities at San Francisco International Airport, where it presently operates under an agreement with the City and County of San Francisco, enabling it to provide convenient service for airline passengers destined for peninsula points.
3. Barrett presently owns sufficient bus equipment to adequately furnish the service proposed.
4. The purchaser, by reason of its present financial condition, is in a position to purchase additional equipment if needed to implement its present equipment.

5. Airline passengers boarding or leaving buses at the airport will be able to do so at the Terminal Building rather than, as at present, at a distance of approximately one block.
6. Barrett proposes to combine this service with its present operations to other San Francisco peninsula cities, thereby providing the public with the advantages of an integrated operation.
7. Mayfair has been operating the aforementioned service over the San Jose-International Airport route at a consistent loss, estimated to be approximately \$23.00 per day. An estimated profit and loss statement for Mayfair covering a projected period from June 1, 1957 to November 30, 1957 showed an anticipated loss of \$4,250.20 based upon present operating revenues. However, the actual figures showed Mayfair lost approximately \$1,039.71 for the period commencing January 1, 1957 and ending June 30, 1957. Barrett's financial position is satisfactory for the proposals requested.
8. Furthermore, a rate adjustment would be necessary over this route because Barrett's costs of operation will be greater as a result of its higher present and future wage rates. In addition, this carrier will be operating late model equipment which is more expensive to purchase, maintain and operate than the present buses being used by Mayfair. It is alleged, however, the increased fare sought will be lower on a cents-per-mile basis than the fare now being charged by the purchaser on its present Palo Alto-Airport route.

After careful consideration of all the facts the Commission finds that the proposed sale to Barrett is not adverse to the public interest and that public convenience and necessity require that Barrett be authorized to extend its operations as requested. The Commission further finds that the rates proposed by the buyer in this application are justified, fair and reasonable and are not adverse to

1/ Exhibit "C", amended application.

the public interest. The increase will bring the fares into conformity with Barrett's present fares between San Francisco International Airport and Palo Alto.

We are satisfied that Barrett will be able to provide an adequate and economical standard of service to the public because of its established operations, facilities and equipment and because of its experienced personnel. Mayfair cannot continue to furnish this airline passenger service because of its present poor financial status. With the funds obtained from the purchaser it may be able to improve its other operations in Santa Clara County. A public hearing in this matter does not appear to be necessary.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred nor authorization to capitalize the operating right in excess of the amount allowed by law. Barrett Transportation, Inc., is hereby placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing, for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights.

Although the applicant, Barrett Transportation, Inc., has not requested in its application a redescription of its operative rights the Commission feels that it would be appropriate at this time to restate all of Barrett's operative rights by this decision. This

restatement of the operative rights, with all the additions, amendments, changes, and modifications thereto, will consist of a new certificate and an appendix in loose-leaf form and shall constitute the entire and exclusive evidence of the applicant's operative authority. Based upon a finding and order of the Commission, amendments to the certificate can be accomplished by the issuance of substitute sheets to Appendix A.

In consonance with the foregoing, a certificate will be granted to Barrett Transportation, Inc., in the order of this decision attached to which will be Appendix A, in loose-leaf form, categorically setting forth all the points and routes of operations together with all of the rights, restrictions, limitations and privileges applicable thereto. All presently existing certificates of public convenience and necessity or other passenger stage operative rights held by Barrett Transportation, Inc., will be revoked and annulled.

O R D E R

An application having been filed, the Commission being fully informed therein, and it having been found that the proposed transfer is not adverse to the public interest, that public convenience and necessity so require, and that the rates requested are justified, fair and reasonable,

IT IS ORDERED:

(1) That Norman W. Holmes, doing business as Mayfair Suburban Lines, is authorized to sell and transfer, and Barrett Transportation, Inc., is authorized to purchase, acquire and thereafter operate Mayfair Suburban Lines' operating rights for the transportation of airline passengers, and their baggage and express, between the City of San Jose and the San Francisco International Airport, including intermediate points. Said operative rights, designated by Mayfair Suburban Lines as its Route No. 4 and created by Decision No. 56107 of this Commission in Application No. 39579, may be sold and transferred in consideration of the amount of Two Thousand Two Hundred Fifty Dollars (\$2,250.00) being paid by Barrett Transportation, Inc., to Mayfair Suburban Lines pursuant to the terms of the Agreement of Sale, dated February 27, 1958.

(2) That a certificate of public convenience and necessity is hereby granted to Barrett Transportation, Inc., authorizing the establishment and operation of service as a passenger stage corporation, as that term is defined in Section 226 of the Public Utilities Code, for the transportation of passengers between the points and over the routes set forth in Appendix A attached hereto and made a part hereof, but subject to the conditions and restrictions of said Appendix A.

(3) That within thirty days after the consummation of the transfer herein authorized, Barrett Transportation, Inc., shall notify

the Commission in writing of that fact. Further, said company shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may have been executed to effect the transfer authorized.

(4) That Barrett Transportation, Inc., is hereby authorized to establish, on not less than three days' notice to the Commission and to the public, the passenger fares as proposed in the application filed in this proceeding.

(5) That effective concurrently with the consummation of such transfer referred to in paragraph (1), and on not less than three days' notice to the Commission and to the public, Norman W. Holmes and Barrett Transportation, Inc., shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the passenger stage operations herein involved to show that Norman W. Holmes, doing business as Mayfair Suburban Lines, has withdrawn or cancelled and Barrett Transportation, Inc., has adopted or established as its own said rules and regulations and the rates set forth in the application filed in this proceeding.

(6) That the authority herein granted in paragraph (1) shall expire if not exercised within sixty days after the effective date hereof.

(7) That in providing service pursuant to the certificate herein granted in paragraph (2), Barrett Transportation, Inc., shall comply with the following service regulations:

- a. Barrett Transportation, Inc., shall file a written statement of the acceptance of the certificate granted herein within a period of not to exceed thirty days after the effective date hereof.
- b. Within sixty days after the date hereof and on not less than three days' notice to the Commission and to the public, Barrett Transportation, Inc., shall establish the service authorized pursuant to paragraphs (1) and (2) at the rates authorized pursuant to paragraph (4) of this order.

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

Dated at San Francisco, California, this 1st day of April, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

Barrett Transportation, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport passengers, baggage and express (as noted) between San Francisco International Airport, San Mateo County, on the one hand, and the cities of San Francisco, Oakland, Burlingame, San Mateo, Belmont, San Carlos, Redwood City, Menlo Park, Palo Alto, Mountain View, Sunnyvale, Santa Clara and San Jose, on the other hand; subject to the following conditions and restrictions:

- a. No passengers shall be transported except those who have prior or subsequent transportation by air to or from the San Francisco International Airport and any person accompanying such passengers.
- b. Express in packages not exceeding one hundred pounds in weight may be transported between San Jose and San Francisco International Airport and intermediate points via U.S. Bypass No. 101 (Bayshore Highway) provided the express either originates at or is destined to the San Francisco International Airport.
- c. Subject to the authority of this Commission to change or modify such passenger stage operation at any time, Barrett Transportation, Inc. shall conduct its operations over and along the following routes.

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1. Between San Francisco International Airport and San Francisco via U.S. Highways 101 and 101 Bypass.
2. Between San Francisco International Airport and Oakland via U.S. Highways 101 and 101 Bypass to San Francisco thence via and along the most appropriate San Francisco city streets and San Francisco-Oakland Bay Bridge.
3. Between San Francisco International Airport and Burlingame, San Mateo, Belmont, San Carlos, Redwood City, Menlo Park, Palo Alto, Mountain View, Sunnyvale, Santa Clara and San Jose via U.S. Highways 101 and 101 Bypass.

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