

Decision No. 57803

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIR TRAVEL ENTERPRISES)
 to operate airport limousine service)
 between Oceanside and International)
 Airport in Los Angeles; and between) Application No. 40118
 Oceanside and Lockheed Air Terminal in)
 Burbank; to establish fares; and to)
 issue \$20,000 in stock.)
 (Amended Title)

Gostin & Katz, by Irwin Gostin, for applicant.
John D. Maata, for The Greyhound Corporation
 (Western Greyhound Lines Division); Dale Austin,
 for the City of Oceanside; Glanz & Russell, by
R. Y. Schureman, for Transcontinental Bus System,
 Inc.; Jesse R. Britton, for Airport Service, Inc.;
Gordon N. Greenwood, for San Clemente Stage Lines
 and San Clemente Yellow Cab Co.; Don Hadsell,
 doing business as American Travel Service;
O. H. Good, for Airport Coach Service and Santa
 Ana Motel; and Max Hickey, for Oceanside Chamber
 of Commerce, protestants.
W. R. Daly, for the Harbor Commission of the City
 of San Diego, interested party.
W. F. Hibbard and Richard Entwistle, for the Commis-
 sion staff.

O P I N I O N

By the application herein, filed on May 23, 1958, and amended by an amendment filed on October 6, 1958, Air Travel Enterprises, a California corporation, hereinafter referred to as applicant, seeks authority to operate a daily scheduled service as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, for the transportation of passengers and their baggage between Oceanside, on the one hand, and Los Angeles International Airport at Inglewood and Lockheed Airport in Burbank, on

the other hand. Applicant also requests authority, if the weather should be so unfavorable as to require the use of other airports, to provide service thereto. No evidence was presented relative to this latter request and it will be denied. Applicant also seeks authority to establish fares and to issue stock.

Public hearings on the application were held in Oceanside on September 18 and 19, 1958, before Commissioner Ray E. Untereiner and Examiner Kent C. Rogers, and in San Diego on October 6, 1958, before Examiner Kent C. Rogers. Prior to the first day of hearing, notice thereof was published as required by the Commission.

The applicant proposes to render a daily scheduled service, using seven-passenger limousines via three routes, two of which will be from Oceanside, through Camp Pendleton, stopping to pick up passengers at the main camp (Camp 22) and at Camp San Onofre, and through San Clemente to the Los Angeles International Airport at Inglewood, and one of which will be from Oceanside through the camps and San Clemente to the Lockheed Airport in Burbank. On the return trips from the airports the going route will be used if there are passengers destined for Camp San Onofre or the main camp. If not, service will be from San Clemente to the terminal in Oceanside via U. S. Highway 101. The proposed schedules are set out in Exhibit D attached to the first amendment to the application. Two trips daily are to be made between Oceanside and the Los Angeles International Airport at Inglewood, and one trip daily is to be made between Oceanside and the Lockheed Airport in Burbank. The proposed schedules contemplate a running time of three hours between Oceanside and the Los Angeles International Airport, two hours and

45 minutes between Camp 22 and the airport, two hours between San Onofre and the airport, and one hour and 50 minutes between San Clemente and the airport. The scheduled times are approximately the same to and from the Lockheed Airport. In order to render the service applicant intends, at the outset of operations, to acquire three seven-passenger limousines, one of which will be used as stand-by equipment. Applicant can lease from the Don Diego Charter Bus Company, the president of which is the secretary of the applicant, passenger stages having a capacity of 36 to 41 passengers each at a cost of 40 cents per mile, including the driver. The distance from Oceanside to the Los Angeles International Airport is 90 miles, and 100 miles from Oceanside to Lockheed Airport.

The proposed fares are \$4.00, plus tax, between Oceanside or Camp 22, on the one hand, and either of the airports, on the other hand; \$3.45, plus tax, for service between San Clemente or Camp San Onofre, on the one hand, and the International Airport, on the other hand; and \$3.65, plus tax, for service between San Clemente or San Onofre, on the one hand, and the Burbank Airport, on the other hand.

Applicant is proposing a regularly scheduled service between fixed termini. The protestants, besides showing their regularly scheduled services and the costs thereof, presented a great deal of testimony relative to group transportation for 32 or more passengers. These services, all of which originate at Camp San Onofre, are for service personnel, and generally speaking are on so-called "outpost days." These are days on which groups of trainees are given leaves, and occur eight to twelve times per month.

On these occasions The Greyhound Corporation and the Transcontinental Bus System will run special buses to provide service to their respective terminals in Los Angeles. This service is not material here.

Neither of the protesting bus lines provides a regularly scheduled service through Camp Pendleton. Greyhound runs 34 schedules a day between Oceanside and Los Angeles, 25 schedules per day between Oceanside and Long Beach, and 29 schedules per day between San Clemente and Los Angeles. Under Greyhound's method of operation, other than on outpost days, a passenger traveling from the camp to the airports would be required to take a local bus from Camp San Onofre to San Clemente at a cost of 25 cents, or a local bus from Camp 22 (the main camp) to Oceanside at a cost of 25 cents, then catch a Greyhound bus at either Oceanside or San Clemente to downtown Los Angeles at a cost of \$3.56 or \$3.45, plus tax, respectively. After reaching Los Angeles, the passenger must utilize additional transportation at additional cost to reach the airports. Via these methods the passenger would be required to use at least three separate conveyances, and the minimum running time, with good connections, would be over four hours. If the passenger were going to the Los Angeles International Airport and transferred at Long Beach, only three separate stages would be required, but the cost thereof would be in excess of \$4.00 and the travel time would be approximately the same. Service of protestant, Transcontinental Bus System, Inc., would require about the same time, the same number of transfers, and the same fare, but this carrier has only four schedules per day in each direction through San Clemente and Oceanside to Los Angeles.

The applicant, on the other hand, proposes a direct service through Camp 22 and Camp San Onofre with shorter schedules times, no transfers, and at approximately the same total fares.

Representatives of the major air lines which operate out of Los Angeles International Airport, and of the minor or non-scheduled air lines which operate out of Lockheed Airport in Burbank, appeared in support of the application. The consensus was that individual civilians or marines, not members of a special group for which buses are provided, need the service as proposed by applicant. In addition, the transportation officer of the Marine Corps appeared in support of the application. Worthy of special notice is the fact that a representative of the protestant, Transcontinental Bus System, Inc., testified that the proposed service would be good, but not for his company. ✓
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Opposition to the proposal was stated by the two carriers whose evidence has hereinbefore been referred to, by a limousine service operating between the Burbank Airport and Los Angeles, the manager of the Oceanside Transportation System owned by the City of Oceanside, the City Manager of Oceanside, an airport transit system which operates between Long Beach and the airports, the owner of a U-Drive auto rental company, and the manager of the San Clemente Stage Lines, among others. Each of these parties is interested, and rightly so, in protecting its financial interest and the revenues it receives from its passengers to and from applicant's proposed points of service. The record is clear, however, that the existing methods of transportation for individuals between Oceanside, points in Camp Pendleton, and San Clemente, on the one hand, and the two airports, on the other hand, are slow and tedious, and that applicant's service will better serve the public convenience. Upon the evidence of record herein, we are of the opinion and find that

public convenience and necessity require that applicant provide service as authorized herein, subject to the restrictions and conditions set forth.

Applicant is authorized by its Articles of Incorporation to issue 500 shares of stock having a par value of \$100 per share. It has no assets but it seeks authority to issue not to exceed 200 shares of stock of an aggregate par value of \$20,000 to the officers of the corporation in exchange for cash. The funds are to be used for the purchase of three seven-passenger limousines at an estimated cost of \$1,000 each, and the balance is to be for working cash. Applicant will be permitted to issue 50 shares of stock at the stated par value of \$100 per share to the officers of the corporation. Applicant's officers appear to have adequate means to enable them to loan money to the applicant and have indicated willingness to do so.

Air Travel Enterprises, a corporation, 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. 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 as to the number of rights which may be given.

The Commission is also of the opinion that the money, property, or labor to be procured or paid for by the issue of stock

herein authorized is reasonably required for the purposes set forth herein, and that those purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

O R D E R

A public hearing having been held, 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 Air Travel Enterprises, 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 and their baggage between the points and along the routes as more particularly described in Appendix "A," attached hereto and made a part hereof.

(2) That in providing service pursuant to the certificate herein granted, there shall be compliance with the following service regulations:

- a. Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed upon notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 98. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 98, may result in a cancellation of the operating authority granted by this decision.

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

(3) That applicant may issue not to exceed 50 shares of its \$100 par value stock to the persons and for the purposes indicated in the foregoing opinion.

(4) That applicant shall file with the Commission monthly reports, as required by General Order No. 24-A, which order, insofar as applicable, is hereby made a part hereof.

Except as herein authorized, Application No. 40118, as amended, is denied.

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

Dated at San Francisco, California, this 10th day of November, 1953.

J. Lynn Fox
President
Ed. Marshall
Lawrence J. ...
William H. ...
Herbert J. ...
Commissioners

Appendix A

AIR TRAVEL ENTERPRISES
(a corporation)

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Air Travel Enterprises, a corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport passengers and their baggage between Oceanside, Camp Pendleton, and San Clemente, on the one hand, and on the other hand the Los Angeles Municipal (International) Airport at Inglewood, California, and the Lockheed Airport in Burbank, California, subject to the following conditions and restrictions:

- a. Applicant shall transport only airline passengers and their baggage.
- b. Applicant shall not pick up or discharge any passengers at any point intermediate between San Clemente, on the one hand, and the said airports, on the other hand.
- c. Subject to the authority of this Commission to change or modify such passenger stage operation at any time, Air Travel Enterprises shall conduct said operation over and along the most direct or appropriate route or routes, subject, however, to local traffic requirements.

Applicant is authorized to turn its motor vehicles at termini and intermediate points, in either direction, at intersections of streets, or by operating around a block contiguous to such intersections, or in accordance with local traffic rules.

Issued by California Public Utilities Commission

Decision No. 57605, Application No. 40118