

ORIGINAL

Decision No. 63398

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Monterey Tours and Transport Co., Inc.,
 for a Certificate of Public Convenience
 and Necessity to operate passenger and
 baggage limousine service between the
 City of Monterey and San Francisco and
 Oakland Airports and between Monterey
 and San Simeon, California; and Appli-
 cation for permit to authorize issuance
 of capital stock and for issuance of
 promissory note.

Application No. 43803
 (Amended)
 (Filed October 3, 1961)

R. L. Ariani, for applicant.
William W. Schwarzer, for Western Greyhound Lines
 Division, Greyhound Corporation, and Bay Rapid
 Transit Co.; and, Peter J. Coniglio, for the
 Fort Ord Cab Association, protestants.
Frank J. Needles, for the City and County of San
 Francisco; and, Don W. Martin, for the Port of
 Oakland; interested parties.
Hilton H. Nichols, for the Commission staff.

O P I N I O N

This application was heard before Examiner Rowe at
 Monterey on November 14, 1961 and on January 8 and 9, 1962 and at
 San Francisco on January 12, 1962, on which date it was submitted.
 The application was protested by Western Greyhound Lines and by
 Bay Rapid Transit Company.

Applicant requests authority to operate as a passenger
 stage corporation between Monterey and the San Francisco and Oakland
 Airports as well as between Monterey and San Simeon.

Applicant is a newly formed corporation. The president
 of the Company has been a travel agent in Monterey for several years.

Several witnesses testified as to the need for the public to visit the Hearst Castle by limousine or comfortable buses. However, there was no showing that applicant's proposal to that point would result in any improved service or that an increased number of passengers could thereby be able to see the grounds. The existing carrier according to its testimony is presently transporting all passengers who are desirous of making the trip and also willing to give the advance notice required by the park facility and to comply with park regulations.

According to the testimony of applicant there is a need for expedited service to both airports from Monterey and Pacific Grove. Western Greyhound Lines renders service to the San Francisco International Airport but several stops are involved, and in some cases it is necessary for the passengers to go to the Seventh Street Station in San Francisco and then take a local bus to the airport. This requires from four to five hours and is not feasible for most passengers. Larger groups, especially from Fort Ord, are transported either by charter or by a similar arrangement under Greyhound's tariff. However, Greyhound will not transport small groups of passengers directly to the two airports at the times desired to make connections with air flights. The Commission finds that protestant Greyhound Corporation will not provide the service proposed by applicant in as satisfactory a manner from the standpoint of the public interest. Applicant proposes to charge \$6.00 per passenger to either airport and a like charge for the return trip.

The Commission is of the opinion and finds that applicant is justified in issuing its capital stock in the aggregate sum of \$8,200 and notes in the sum of \$10,000.

The Commission finds and concludes that public convenience and necessity require that the application be granted as set forth in the ensuing order; and that the proposed rates are reasonable. The Commission finds applicant has failed to establish that public convenience and necessity require the proposed service to the Hearst Castle; that portion of the application will therefore be denied.

Monterey Tours and Transport Co., 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. 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 modified or canceled at any time by the State which is not in any respect limited as to the number of rights which may be given.

O R D E R

The Commission having considered the above-entitled matter and public hearings having been held and being of the opinion that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for by the incurring of indebtedness and the issue of the stock herein authorized is reasonably required by applicant corporation for the purpose specified in its application; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS ORDERED that:

1. A certificate of public convenience and necessity is

hereby granted to Monterey Tours and Transport Co., Inc., authorizing it to operate as a passenger stage corporation, as that term is defined in Section 226 of the Public Utilities Code, for the transportation of passengers and their baggage between the points and over the routes as more specifically set forth in Appendix A, attached hereto and made a part hereof.

2. 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 on 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 regulations of the Commission's General Order No. 98 and insurance requirements of the Commission's General Order No. 101A. 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 Orders Nos. 98 and 101A, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof and on not less than ten days' notice to the Commission and the public applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs satisfactory to the Commission.

3. On and after the effective date hereof and on or before six months thereafter, applicant may execute and deliver its promissory notes in the aggregate amount of \$10,000 and issue not to exceed 820 shares of its capital stock at a par value of \$10 per share to Richard A. Ashment, Murray H. Friedman and Maury Swidler for the acquisition of assets and equipment needed in the proposed operation.

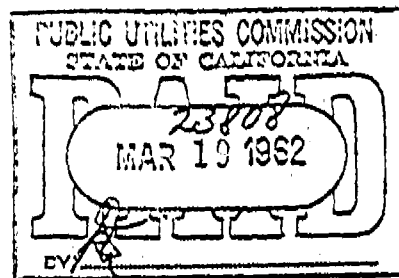
4. Applicant shall file a report, or reports, of the issue of said notes and stock as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. Except as hereinabove granted, Application No. 43803 is denied.

6. The authority herein granted to issue notes will become effective when applicant has paid the minimum fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$25.00. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 13th
day of MARCH, 1962.

George A. Lopez
President
W. E. Dwyer
E. J. Fox
George H. Grover
Fredrick B. Hallock
Commissioners



Appendix A MONTEREY TOURS AND TRANSPORT CO., INC. Original Page 1
(a corporation)

Monterey Tours and Transport Co., Inc., 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 the San Francisco International Airport, San Mateo County, and the Metropolitan Oakland International Airport, Alameda County, on the one hand and the cities of Monterey and Pacific Grove 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 or Oakland International Airports.
- b. No passenger shall be transported whose origin or destination is a point intermediate to the cities of Pacific Grove and Monterey on the one hand and the San Francisco and Oakland International Airports on the other hand with the exception that passengers may be picked up and discharged at the Fort Ord Military Reservation.
- c. The type of vehicles used shall be restricted to those having a seating capacity of no more than 14 passengers excluding the driver. Service shall be provided whenever four or more passengers require transportation.
- d. Subject to the authority of this Commission to change or modify such passenger stage operation at any time, Monterey Tours and Transport Co., Inc., shall conduct its operations over the following routes:

Issued by California Public Utilities Commission

Decision No. 63398, Application No. 43803.

Appendix A MONTEREY TOURS AND TRANSPORT CO., INC. Original Page 2
(a corporation)