

Decision No. 67305

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Before the Public Utilities Commission in the matter of the application of Tanner Motor Tours, Ltd., for the cancellation of a Certificate of Public Convenience and Necessity and the abandonment of service between the Santa Barbara Municipal Airport and the Santa Barbara territory.

Application No. 46198

In the Matter of the Application of JOHN BLOMBERG, dba MIRAMAR LIMOUSINE SERVICE for certificate of public convenience and necessity to operate a passenger and their personal baggage service between Santa Barbara, Goleta, and Santa Barbara Municipal Airport at Goleta.

Application No. 46203

In the Matter of the Application of SANTA BARBARA RENT-A-CAR, INC., for a certificate of public convenience and necessity.

Application No. 46299

John L. Hughes, for Tanner Motor Tours, Ltd.;
John Blomberg, in propria persona; Richard W. Robertson, for Santa Barbara Rent-A-Car, Inc.;
applicants.
Kenneth R. Nuss, for the City of Santa Barbara;
Walter G. Carson, for United Air Lines;
Stanley C. Lowery, for Santa Barbara Chamber of Commerce; John F. Donovan, in propria persona; interested parties.
Fred G. Ballenger, for the Commission staff.

O P I N I O N

On February 13, 1964, Tanner Motor Tours, Ltd. (hereinafter referred to as Tanner) filed its application to discontinue passenger stage service between Santa Barbara and the Santa Barbara Municipal Airport. On February 21, 1964, John Blomberg (hereinafter referred to as Blomberg), doing business as Miramar Limousine

Service, filed his application to provide such service. By its application filed March 19, 1964, Santa Barbara Rent-A-Car, Inc. (hereinafter referred to as Rent-A-Car) also requested authority to provide service between Santa Barbara and the airport.

A public hearing was held before Examiner Daly on April 7, 1964, at Santa Barbara and the matter was submitted.

In conjunction with its passenger stage service between Santa Barbara and the municipal airport, authorized by Decision No. 39773, Tanner also conducts a taxicab operation. According to applicant Tanner, the passenger stage operation is economically unfeasible. Service is presently being provided for a fare of \$1.25. The following operational study was offered in support of its position.

<u>Month</u>	<u>Miles</u>	<u>Revenue</u>	<u>Driver's Wages</u>
Sept. 1962	5,125	681.45	908.90
Oct. 1962	5,087	739.33	877.93
Nov. 1962	5,705	671.43	956.79
Dec. 1962	5,981	537.85	952.26
Jan. 1963	6,082	678.30	1,016.50
Feb. 1963	3,530	461.70	
March 1963	3,933	619.20	
April 1963	2,952	338.58	
May 1963	3,730	396.72	
June 1963	4,180	373.92	
July 1963	3,200	231.42	
Aug. 1963	2,285	304.38	
Sept. 1963	1,592	192.80	
Oct. 1963	2,291	308.94	
Nov. 1963	4,332	394.62	1,032.44
Dec. 1963	4,254	305.94	1,083.69
Jan. 1964	3,979	282.96	1,113.00

During the period from February 1963 through October 1963 applicant Tanner used taxicabs. The drivers' wages were based on percentage of revenue and daily guarantees and assertedly were so involved with the regular taxicab business that the portion chargeable to the airport service could not be determined.

Applicant Blomberg made no affirmative showing and submitted his application based upon the allegations contained therein. He owns and operates a 1955 eight passenger Cadillac. He proposes hourly service daily from 6 a.m. to approximately 6 p.m. The proposed fare for the ten-mile trip is \$2.50. As of January 29, 1964, applicant Blomberg indicated a net worth in the amount of \$1,500, of which \$1,200 represented the value of the Cadillac sedan.

Applicant Rent-A-Car is presently engaged in the rental of automobiles and has its principal place of business in the City of Santa Barbara. It proposes to provide a daily service schedule to meet the arrival and departure times of the air lines. Service would be provided through the use of a 9-passenger Chevrolet Corvan "95" compact limousine or a Volkswagon micro bus, which will be acquired if the authority sought is granted. Additional equipment would be provided as required. The proposed fare is \$2.50. As of December 31, 1963, applicant Rent-A-Car indicated a net worth in excess of \$100,000. ✓

After consideration the Commission finds:

1. Applicant Tanner is presently conducting its certificated operations at a financial loss.

2. Public convenience and necessity require that Rent-A-Car render the proposed service between the City of Santa Barbara and the Santa Barbara Municipal Airport.

3. Applicant Blomberg does not have the necessary financial ability to provide the proposed service.

4. Applicant Rent-A-Car has the necessary financial ability to render the proposed service.

5. Although the proposed fare of \$2.50 appears unusually high, it is not unreasonable in view of the limited patronage.

The Commission may again consider the reasonableness of the proposed \$2.50 fare in the event that future patronage indicates a significant increase.

The Commission concludes that:

1. Applicant Tanner may discontinue service.
2. The application of applicant Rent-A-Car should be granted.
3. The application of applicant Blomberg should be denied.

Santa Barbara Rent-A-Car, 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, such rights 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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Santa Barbara Rent-A-Car, Inc., a corporation, authorizing

it to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes more particularly set forth in Appendix A attached hereto and made a part hereof.

2. 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. 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 of the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98 and insurance requirements of the Commission's General Order No. 101-A. 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 101-A, may result in a cancellation of the operating authority granted by this decision.
- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and file tariffs and timetables, in triplicate, in the Commission's office.
- (c) The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the service herein authorized.
- (d) The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79 and 98.

3. Concurrent with the filing of tariffs and timetables as required by ordering paragraph 2(c) hereof and the establishment of the service by applicant Santa Barbara Rent-A-Car, Inc., applicant Tanner may discontinue service; the operating authority granted by Decision No. 39773 is revoked and the tariffs and timetables presently on file with this Commission in the name of said applicant are canceled.

4. Application No. 46203 is hereby denied.

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

Dated at San Francisco, California, this 2nd day of June, 1964.

William L. Beards
President
Carl W. Page
George L. Trover
Fredrick B. Heloboff
Commissioners

Santa Barbara Rent-A-Car, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin is hereby authorized to transport passengers and their baggage between Santa Barbara and the Santa Barbara Municipal Airport, over the following route:

Commencing at applicant's place of business located at 801 Chapala Street, near the intersection with De La Guerra Street, thence along Chapala Street, Carrillo Street, U. S. 101, Fairview Avenue to the Santa Barbara Municipal Airport Terminal Building.

Alternate Route

Commencing at applicant's place of business located at 801 Chapala Street, near the intersection with De La Guerra Street, thence along Chapala Street, Arrellaga Street, State Street, U. S. 101, Fairview Avenue to the Santa Barbara Municipal Airport Terminal Building.

Issued by California Public Utilities Commission.

Decision No. 67305, Application No. 46299.