

ORIGINALDecision No. 69551

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Aero Space Coach)	
Lines, Inc., a corporation, for)	
authority to Issue Stock or Evidence)	Application No. 47473
of Indebtedness, and for a Certificate)	(Filed April 5, 1965)
of Public Convenience and Necessity.)	

John J. Cayer, for applicant.
Howard C. Beardsley, for Southern
 California Rapid Transit District;
 R. W. Russell, by K. D. Walpert,
 for City of Los Angeles, interested
 parties.
Fred G. Ballenger and E. C. Crawford,
 for the Commission staff.

O P I N I O N

A hearing was held on June 30, 1965, at Los Angeles before Examiner Chiesa. Evidence having been adduced, the matter was submitted for decision.

Applicant was recently incorporated under the laws of this state with an authorized capital of \$75,000 consisting of 750 shares of the par value of \$100 each.

The application, as amended at the hearing, requests authority to sell 30 shares for cash to J. Marshall Gage, President-Treasurer, and John J. Cayer, Vice-President-Secretary, and to establish a bus service for employees of the North American Aviation, Inc., plant at Downey, California.

The evidence shows that:

Applicant proposes to commence operations along three

routes within an area bounded by Santa Monica Boulevard, Hollywood Freeway and San Bernardino Freeway on the north, the San Bernardino County line, Riverside Freeway and Newport Freeway on the east, and the Pacific Ocean coast line on the west and south. Said routes would commence in the cities of Santa Ana, Orange and Santa Monica. Other routes will be established if a need arises. The service will be offered only on a weekly and round-trip basis at fares of \$4.00 to \$6.50 per week for the five round trips. Point of origin will determine the fare as six fare zones would be established.

The original capital investment of \$3,000 will be used to pay for incorporation and application fees and as working capital. A preliminary survey of the need for the proposed service indicates possibilities for the development of a compensatory operation. Applicant's president is also president of Douglas Bus Lines, Inc., a corporation, now operating a similar passenger stage service to the Douglas plant at Long Beach and to the North American plant at Anaheim. The latter company owns 19 buses and leases 6 other buses used in transporting employees of said companies. However, applicant proposes to lease other equipment.

A company traffic representative testified that there are 20,000 employees at the Downey plant, 18,000 of whom work the day shift, and that a need exists for the proposed service.

The application is not opposed. However, applicant has agreed to a restriction along a portion of one of its proposed routes as the Southern California Rapid Transit District, an

interested party in this proceeding, now renders service in the restricted area.

Representatives of the Commission's Finance and Accounts Division and Traffic Engineering Section assisted in the development of the record.

Based upon the evidence, the Commission finds and concludes that:

1. Public convenience and necessity require the establishment and operation of a passenger stage service as hereinafter set forth.

2. The money, property or labor to be procured or paid for by the issuance of \$3,000 par value of capital stock is reasonably required for the purposes specified herein and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

The application will be granted.

Aero Space Coach Lines, Inc., 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, 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. On or before September 30, 1965, Aero Space Coach Lines, Inc., a corporation, may sell and issue, at par for cash, not to exceed \$3,000 par value of its capital stock, and shall use the proceeds for the purposes as herein specified, and shall file with the Commission a report, or reports, as required by General Order No. 24-3, which order, insofar as applicable, is hereby made a part of this order.

2. A certificate of public convenience and necessity is granted to Aero Space Coach Lines, 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 particularly set forth in Appendix A, attached hereto and made a part hereof.

3. In providing service pursuant to the certificate herein granted, Aero Space Coach Lines, Inc., shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, Aero Space Coach Lines, Inc., 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 safety rules, or 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, Aero Space Coach Lines, Inc., 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.

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

Dated at San Francisco, California, this 17th day of AUGUST, 1965.

Frederick B. Holshoff
President

George L. Hoover

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William W. Bernard
Commissioners

CERTIFICATE
of
PUBLIC CONVENIENCE AND NECESSITY

Showing passenger stage operative rights, restrictions, limitations, exceptions, and privileges applicable thereto.

All changes and amendments as authorized by the Public Utilities Commission of the State of California will be made as revised pages or added original pages.

Issued under authority of Decision No. 69551,
dated August 17th, 1965, of the Public
Utilities Commission of the State of California,
in Application No. 47473.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS.

Aero Space Coach Lines, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport passengers, between the North American Aviation, Space and Information Systems Division, located at 12214 South Lakewood Boulevard, Downey, on the one hand, and on the other hand, all points and places in the Los Angeles and Orange County areas as hereinafter described, subject, however, to the authority of this Commission to change or modify said routes at any time and subject to the following provisions:

- a. No passenger shall be transported whose point of origin on the going trip is within one-half (1/2) mile of the Southern California Rapid Transit District's Los Angeles-Newport Beach-Balboa service along Lakewood Boulevard and Pacific Coast Highway between Santa Ana Freeway on the one hand and the Newport Freeway on the other.
- b. Passengers shall be picked up and discharged only at points and places to be named in applicant's tariffs and timetables, and situated within the territory herein described.
- c. All passengers shall originate at or be destined to the North American Aviation, Space and Information Systems Division, at 12214 South Lakewood Boulevard, Downey.

Issued by California Public Utilities Commission.

Decision No. 69551, Application No. 47473.

SECTION 2. SERVICE AREA DESCRIPTION

Bounded on the north by Santa Monica Boulevard, Hollywood Freeway and San Bernardino Freeway, on the east by San Bernardino County line, Riverside Freeway and Newport Freeway, and on the south and west by the Pacific Ocean.

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