

**ORIGINAL**

Decision No. 70378

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Variety Leasing Incorporated for certificate of public convenience and necessity to operate an Airport-Bus Limousine Service between: The Los Angeles International Airport and various Service Stops to the Landmark Motel in North Long Beach via: Huntington Park, Montebello, Pico Rivera, Downey and Lakewood, California.

Application No. 47794  
(Filed August 4, 1965)

(Amendment filed  
September 27, 1965)

In the Matter of the Application of AIRPORTTRANSIT, a corporation, for the extension of its certificate of public convenience and necessity as a passenger stage corporation.

Application No. 47948  
(Filed October 4, 1965)

Friedemann Sommerfeld, for Variety Leasing, Inc., applicant in Application No. 47794 and protestant in Application No. 47948.

Ivan McWhinney, for Airporttransit, applicant in Application No. 47948 and protestant in Application No. 47794.

Howard C. Beardsley, for Southern California Rapid Transit District; and K. D. Walpert, for R. W. Russell, Chief Engineer and General Manager of Los Angeles Department of Public Utilities and Transportation, interested parties.

William R. Kendall, for the Commission staff.

O P I N I O N

These applications were heard before Examiner DeWolf at Los Angeles on October 18 and 26, 1965, having been consolidated for hearing and decision. Evidence, oral and documentary,

having been adduced, the matters were submitted for decision on October 26, 1965.

Applicant, Variety Leasing Incorporated, requests authorization to institute and conduct operations as a passenger stage corporation for the transportation of passengers and their baggage between Los Angeles International Airport and Huntington Park and certain hotels in the vicinity of Montebello, Pico Rivera and Downey as follows:

Holiday Inn, Bahia Lodge, Montebello; Ramada Inn, Starlite Lodge, Pico Rivera; Empire Hotel, and Tahitian Village Motel, Downey, California.

Applicant, Variety Leasing, presently does not possess any authority to transport passengers within the State of California and protests the application of Airporttransit.

The applicant, Airporttransit, has been for many years and is a passenger stage corporation engaged in the transportation of airline passengers, airline and airport employees, and their baggage between points in the greater Los Angeles area, including the Cities of Commerce (Decision No. 68619, dated February 16, 1965), San Bernardino, Redlands, Riverside, and Fontana, on the one hand, and Los Angeles International Airport, Ontario International Airport, and Lockheed Air Terminal, on the other hand, under certificates of public convenience and necessity issued by the Commission in its Decision No. 59259, as amended by Decisions Nos. 60755, 68619, 68651 and 69452.

Applicant, Airporttransit, requests authority to extend its passenger stage operation to include service between

the Los Angeles International Airport and the City of Montebello. The stop at the latter point is to be made at the Holiday Inn at 7771 Telegraph Road. This applicant's closest service to the requested authority terminates at the Hyatt House in the City of Commerce, approximately 1.9 miles from the requested new stop at the Holiday Inn in Montebello. There is no airport transportation service to Montebello presently and the sole controversy here between the parties is for authority to serve Holiday Inn.

The fare proposed by the applicant, Airporttransit, for said service will be \$3.00 one way for each adult and \$1.50 for children, between the ages of five and twelve years.

Applicant, Airporttransit, introduced into evidence Exhibit 10 which showed the number of passengers carried by it in its operations to the Hyatt House in Commerce since Decision No. 68619, dated February 16, 1965, to be as follows:

<u>Date</u>	<u>City of Commerce Year 1965</u>	<u>No. of Trips</u>	<u>Total Passengers</u>
March		54	34
April		200	126
May		206	161
June		200	214
July		202	155
August		204	180
September		200	205

The applicant, Airporttransit, protested only that portion of the application of Variety Leasing in conflict with its own request: i.e., authority to serve the Holiday Inn in Montebello. It asserted that its present operations to the Hyatt House are

not profitable and claimed it is entitled to an extension of its authority to the Holiday Inn, which is across the line outside Commerce and a short distance inside Montebello, because of the provisions of Section 1032 of the Public Utilities Code of California.

Applicant, Variety Leasing, introduced into evidence Exhibits 1, 3, 4, 5, 6, 7 and 9, being letters from various persons expressing need for airport bus service applied for. Five public witnesses testified to the need for regular airport bus service proposed by the applicants. Four interested witnesses testified to the need for such bus service. A witness for the Southern California Rapid Transit District testified that some of the proposed routes would parallel the District lines but did not oppose service to the airports with restrictions against local pickup and transportation. Briefly summarizing the two applications, both applicants seek to serve the Holiday Inn located in Montebello, there being no presently authorized airport bus service of any nature to Montebello. Variety Leasing seeks to establish airport bus service to Montebello with two stops, one at the Holiday Inn and one at the Bahia Inn, and also to operate service to the other points described in Pico Rivera, Downey and Huntington Park. It seeks to establish fares of \$3.50 for adults one way, and \$1.75 for children, ages five to eleven years.

Each of the applicants submitted evidence of financial ability to establish the services it proposed. Airporttransit has total current assets of \$366,070.53. Also it has 23 buses in use in

present operations with seven new buses on order. The application of Variety Leasing contains a consolidated statement dated May 31, 1965, showing assets of \$225,253.06. It proposes to start its services with Checker passenger stretchout limousines. A witness testified that previous attempts to render airport passenger service to Pico Rivera and Downey by previous operators were not successful.

The manager for Variety Leasing testified to extensive experience in managing bus transportation operations in London, England, and the Eastern United States.

The evidence shows and the Commission finds that:

1. All of the hotels listed desire the establishment of the proposed service.
2. Each of the applicants is financially able to maintain the proposed operation for a period long enough to determine its practicability.
3. The public use of Airporttransit's service to the Hyatt House in Commerce for the past six months has not decreased and it is not likely to decrease in the future. Applicant, Airporttransit, presently serves no territory in Montebello. The present and anticipated volume of passengers to and from Montebello does not warrant more than one carrier.
4. The proposed operations are not competitive with the Southern California Rapid Transit District and applicants are

not proposing a local service or the pickup of passengers at stops of the transit district. We find that airline passengers carrying baggage cannot be adequately and conveniently served by regular bus transportation services which require transfers en route.

5. Airporttransit has failed to establish that public convenience and necessity require that its application be granted.

6. Variety Leasing Incorporated has shown that public convenience and necessity require that its application be granted.

The Commission concludes that:

1. Airporttransit's contention with respect to Section 1032 of the Public Utilities Code is without merit.

2. Airporttransit's application should be denied.

3. Variety Leasing Incorporated should be authorized to establish and operate passenger stage service as set forth in the order herein.

Variety Leasing Incorporated 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. Application No. 47943 is hereby denied.

2. A certificate of public convenience and necessity is hereby granted to Variety Leasing Incorporated, 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, subject to the conditions and restrictions set forth in said Appendix A.

3. 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 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-A and insurance requirements of the Commission's General Order No. 101-A. Failure to comply with and observe the safety rules, or the provisions of General Orders Nos. 98-A or 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-A.

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(e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

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

Dated at San Francisco, California, this 23rd day of FEBRUARY, 1966.

Fredrich B. Helchoff  
President

John E. Hill

Augustus

Halleman & Bennett  
Commissioners

I concur in the order.  
George G. Trover



VARIETY LEASING INCORPORATED  
(a corporation)

Appendix A

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CERTIFICATE

of

PUBLIC CONVENIENCE AND NECESSITY

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

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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.

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Issued under authority of Decision No. 70378  
dated February 23, 1966, 1966, of the Public Utilities  
Commission of the State of California, on Application  
No. 47794.

VARIETY LEASING INCORPORATED  
(a corporation)

Appendix A

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

Variety Leasing Incorporated, a corporation, is authorized to transport passengers, and their baggage, between the Cities of Huntington Park, Montebello, Pico Rivera and Downey, on the one hand, and the Los Angeles International Airport, on the other hand, over and along the routes 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 and restrictions:

- (a) Applicant shall transport only passengers destined to or originating at the Los Angeles International Airport.
- (b) Applicant shall not pick up or discharge passengers except at Huntington Park, Montebello, Pico Rivera, Downey and the Los Angeles International Airport. Specific points shall be named in applicant's tariff.
- (c) Baggage shall be transported in passenger-carrying vehicles only, and limited to a weight of not more than 100 pounds.
- (d) When route descriptions are given in one direction, they apply to operation in either direction, unless otherwise indicated.
- (e) Motor vehicles may be turned at termini or intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, in accordance with local traffic regulations.

Issued by California Public Utilities Commission.

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VARIETY LEASING INCORPORATED  
(a corporation)

Appendix A

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SECTION 2. ROUTE DESCRIPTIONS

Subject to the authority of this Commission to change or modify such at any time, Variety Leasing Incorporated shall conduct its passenger stage operations between the following points and over and along the following described routes:

Huntington Park, Montebello, Pico Rivera, Downey -  
Los Angeles International Airport

Commencing at the Los Angeles International Airport, thence along Century Boulevard, Airport Boulevard, Manchester Avenue, Florence Avenue, Pacific Boulevard, Gage Avenue, Slauson Avenue, Telegraph Road (to 7709 Telegraph Road), Greenwood Avenue, Washington Boulevard, Rosemead Boulevard (to 6540 South Rosemead, Pico Rivera) south to Lakewood Boulevard, Firestone Boulevard (to 9021 East Firestone Boulevard) thence return to Lakewood Boulevard to its intersection with Rosecrans Avenue. Return via the reverse of the going route or via Alternate #1 or Alternate #2 depending on day and schedule.

Alternate #1

Commencing at the Tahitian Village Motel, thence along Rosecrans Avenue, Long Beach Freeway, Florence Avenue, Salt Lake Avenue, Gage Avenue, Pacific Boulevard, Florence Avenue, Manchester Avenue, Airport Boulevard, Century Boulevard to the Los Angeles International Airport.

Alternate #2

Commencing at the Tahitian Village Motel, thence along Rosecrans Avenue, San Diego Freeway, Imperial Boulevard, Sepulveda Boulevard, Century Boulevard to the Los Angeles International Airport.

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