

ORIGINALDecision No. 71840

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
OAKLAND INTERNATIONAL AIRPORT
LIMOUSINE SERVICE, a corporation,
to sell, and AIRPORTTRANSIT, a
corporation, to purchase certificates
of public convenience and necessity
as a passenger stage corporation
for the transportation of airline
passengers.

Application No. 48960
(Filed November 21, 1966)O P I N I O N

Oakland International Airport Limousine Service, a corporation, hereinafter called seller, requests authority to sell and transfer, and Airporttransit, a corporation, hereinafter called buyer, requests authority to purchase and acquire certificates of public convenience and necessity to operate as a passenger stage corporation in the transportation of airline passengers and their baggage between the Oakland International Airport, on the one hand, and Oakland, Alameda, Berkeley, and San Francisco, on the other hand. The operating authority to be transferred was granted to the seller by Decision No. 59163, dated October 20, 1959, in Application No. 41562; and Decision No. 65466, dated May 28, 1963, in Application No. 45414.

Buyer is a passenger stage corporation and is engaged generally in transportation of airline passengers and their baggage between certain territories, cities, and points in the Los Angeles area, on the one hand, and Los Angeles International Airport, Ontario International Airport, and Lockheed Air Terminal, on the other hand. These operations are conducted by the buyer under a certificate of public convenience and necessity issued by the Commission in Decision No. 59259, dated November 10, 1959, in Application No. 41505.

Buyer has been engaged in the transportation of airline passengers in the Los Angeles area since 1927. It has no operation in Oakland at present, but equipment and facilities are available and buyer plans to obtain terminal facilities at the Oakland International Airport and to establish a downtown office and terminal in a new building presently under construction at 24th and Willow Streets in Oakland. Buyer's profit and loss statement for the period from January 1 to October 31, 1966 shows a total revenue of \$1,193,869, total expenses of \$1,021,440, and a net profit of \$89,672 after federal income tax. The balance sheet dated October 31, 1966 lists current assets of \$604,486 and fixed assets of \$552,726; current liabilities total \$356,297 and net worth \$820,563.

The buyer is purchasing only the certificates previously mentioned. The purchase price is \$10,000, of which \$1,000 has already been paid. The remainder is to be paid when the certificates are transferred. No protests have been filed. The Oakland Port Authority, which manages the Oakland International Airport, supports the application and prefers that Airporttransit provide the service.

The application alleges that the seller's operation is in jeopardy due to insufficient capital to purchase new equipment required and to make necessary repairs on its vehicles presently operated. It further alleges that the buyer is ready and financially able to take over the operation and provide the routes and frequency of service suggested by the management of the airport.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is consummated, the revocation of the certificate presently held by Oakland International Airport Limousine Service and the issuance of a certificate in appendix form to Airporttransit.

Airporttransit 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.

The authorization herein granted shall not be construed as a finding of the value of the rights nor as a determination that the amounts referred to herein will be accepted as proper bases for an order authorizing the issue of securities.

O R D E R

IT IS ORDERED that:

1. On or before June 1, 1967, Oakland International Airport Limousine Service may sell and transfer, and Airporttransit may purchase and acquire, the operative rights and property referred to in the application.
2. Within thirty days after the consummation of the transfer herein authorized, Airporttransit shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.
3. Applicants shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the common carrier operations herein to show that Airporttransit has adopted or established, as its own, said rates and rules. The

tariff and timetable filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the consummation of the transfer herein authorized. The tariff and timetable filings made pursuant to this order shall comply in all respects 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.

4. On or before the end of the third month after the consummation of the transfer as herein authorized, Airporttransit shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 hereof is consummated, a certificate of public convenience and necessity is granted to Airporttransit, 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.

6. The certificate of public convenience and necessity granted in paragraph 5 of this order shall supersede the certificates of public convenience and necessity granted by Decisions Nos. 59163 and 65466, which certificates shall be revoked effective concurrently with the effective date of the tariff filings required by paragraph 3 hereof.

7. In providing service pursuant to the certificate herein granted, Airporttransit 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. Applicant is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, 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-B. Failure to comply with and observe the safety rules, or the provisions of General Orders Nos. 98-A or 101-B, may result in a cancellation of the operating authority granted by this decision.
- b. 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 five days after the date hereof.

Dated at San Francisco, California, this 17th day of JANUARY, 1967.

[Signature]
President

[Signature]

[Signature]

Commissioners

Section 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS AND SPECIFICATIONS

Airporttransit, 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 Oakland International Airport in Alameda County, on the one hand, and the Cities of Oakland, Berkeley, Alameda and San Francisco and the Oakland Army Base, on the other hand, over the routes hereinafter described subject to the following provisions:

- (a) No passengers shall be transported except those having point of origin or destination at the Oakland International Airport.
- (b) Passengers shall be picked up and discharged only at points and places to be named in tariffs and timetables filed with the Commission.
- (c) When service is rendered on an "on-call" basis, tariffs and timetables shall show the conditions under which such "on-call" service shall be operated.

Issued by California Public Utilities Commission.

Decision No. 71840, Application No. 48960.

Section 2. ROUTE DESCRIPTIONS

San Francisco-Oakland Airport

Commencing at the Oakland International Airport, in Alameda County, thence via Airport Drive, Hegenberger Road, State Highway 17 (Nimitz Freeway), Oakland-San Francisco Bay Bridge to San Francisco; thence via most appropriate city streets to the Downtown Airline Terminal at Taylor and O'Farrell Streets in San Francisco and to downtown San Francisco hotels on request.

Oakland, Berkeley, Alameda and Oakland Army Base

Operations shall be conducted to and from the Oakland International Airport over and along the most direct or appropriate city streets and public highways, subject, however, to local traffic regulations.

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