

Decision No. 72411

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
California Sightseeing Tours, Inc.  
for Certificate of Public Convenience  
and Necessity to operate Sightseeing  
Bus Service between Los Angeles  
Harbor Area and certain Hereinafter  
Designated Points of Interest, and  
for Authority to Issue and Sell Stock.

Application No. 48486  
(Filed May 18, 1966)  
(Amended July 25, 1966)

James H. Lyons and D. A. Mannino,  
for applicant.  
Berol, Loughran & Geernaert, by  
Bruce R. Geernaert, for Tanner  
Motor Tours, Ltd., also known  
as Gray Line Motor Tours Company;  
McCutchen, Doyle, Brown, Trautman  
& Enersen, by Craig McAtee, for  
Southern California Sightseeing  
Company, Inc.; Howard C. Beardsley  
and Milton McKay, for Southern  
California Rapid Transit District;  
protestants.  
Robert W. Russell, by K. D. Walpert,  
for City of Los Angeles; Henry E.  
Jordan, for City of Long Beach;  
interested parties.  
William R. Kendall, for the Commission  
staff.

O P I N I O N

This application was heard before Examiner DeWolf at Los Angeles on August 2 and November 2 and 3, 1966, and submitted on November 3, 1966, subject to the filing of concurrent briefs, which have been received. Copies of the application and the notice of hearing were served in accordance with the Commission's procedural rules. The protestants are Gray Line Motor Tours

Company, Southern California Sightseeing Company, Inc., and the Southern California Rapid Transit District.

Applicant requests authorization to institute and conduct operations as a passenger stage corporation for the transportation of passengers on scheduled round trip narrated sightseeing tours from the steamship terminals located in the Los Angeles Harbor at San Pedro and Wilmington to designated points of interest, not on a specific route, but via the most practical and appropriate routes.

Seven package tours are proposed which will include tour guides with the foreign languages of Spanish, French, Japanese, German, Dutch and Italian available and with arrangements for admission tickets where necessary, the tours being numbered and designated as follows:

Tour 110 - Disneyland-Knott's Berry Farm

Tour 111 - Marineland

Tour 112 - Movie Studio-Los Angeles

Tour 113 - Hollywood Tour-Movie Stars' Homes

Tour 114 - Marineland-Movie Studio

Tour 115 - Disneyland-Los Angeles Civic Center-Hollywood

Tour 116 - Movie Studio-Hollywood-Movie Stars' Homes

Applicant presently does not possess any authority to transport passengers within the State of California.

Tour schedules are proposed in conjunction with the arrival of the steamships and will not be conducted for less than ten passengers. Fares proposed, excluding admissions, are as

follows: Tour 110 - \$3.00; Tour 111 - \$2.50; Tour 112 - \$3.00; Tour 113 - \$3.50; Tour 114 - \$5.00; Tour 115 - \$5.00; Tour 116 - \$6.00. The foreign language tour guide service will be available for an additional charge of 50 cents per passenger. The buses will be equipped with air conditioning devices, public address systems and special reclining seats.

Applicant requests authority to sell 50 shares of stock at par value of \$100 per share to Dominic A. Mannino for cash. No shares are to be offered to the public and no promotional shares are to be issued. Applicant proposes to lease motor coaches from M & M Charter Lines, Inc., and operate ten leased 1956 coaches of 41 to 53 passengers capacity each. It was testified that M & M Charter Lines, Inc., has sufficient surplus equipment to provide the proposed equipment in the initial period of its operations.

Applicant's Evidence

Applicant's chief executive officer testified that he is also owner of other bus operations which have 130 pieces of equipment; that he has been in this business since 1954 in San Francisco and Los Angeles and operates school buses, charter buses, buses to the race tracks and airports; that he has a terminal containing two and one-half acres and 13,000 square feet of garage space and that he operates his repair service 24 hours a day and performs all his repair operations.

He testified that the proposed service will meet all the passenger steamships with tour buses as they arrive at the

Los Angeles Harbor (San Pedro and Wilmington) with passengers on a layover in the Harbor area. Arrival times and dates of all vessels will be ascertained and all of the 486 vessels or more which arrive at the harbor will be met and furnished with the tour transportation facilities. Applicant will provide speaking tour guides who speak foreign languages such as Spanish, Italian, German and Dutch. A man will be stationed in a booth at the dock to sell tickets and also to interpret for foreign language tourists who are visiting this country. Tours will not be conducted for less than ten adult passenger fares.

This witness testified that he was contacted by five passenger shipping lines, American President Lines, P & O Lines, Matson Navigation Line, Holland-America Lines, the General Steamship Company, and the Williams, Diamond Company, who requested him to furnish this tour service on a per capita basis and that he investigated the number of vessels coming into the port and found that there is no similar service being performed at this time.

Seven public witnesses supported the proposed service. One witness testified that he is the owner and operator of a tour agency which promotes worldwide sightseeing programs and has an arrangement with the applicant to market its transportation program by advertising in brochures and folders to be distributed on vessels and mailed to steamship companies, travel bureaus, and ticket agencies around the world. Tickets will be sold on the vessels and surveys made to determine the numbers requiring

land transportation upon arrival in port. He stated that his current mailing list is in excess of 12,000. The witness testified that he is familiar with the proposed service and that it is very much needed at the Los Angeles port to enable tourists to use their time while waiting for the vessels to depart.

A principal accountant for the Harbor Department of the City of Los Angeles testified that 486 passenger vessels came into the Port of Los Angeles to take on or leave passengers during the fiscal year of 1964-1965; that 3,591 vessels of all kinds docked at the port that year. In-transit passengers are frequently on these vessels and do not debark, but most of them could devote a full day or more to sightseeing in Los Angeles, if such service was available. Following is a summary of some of the information contained in reports from the files of the Harbor Department in his custody and part of Exhibit 3:

<u>Flag</u>	<u>Ship</u>	<u>Passengers</u>			<u>Dates Ship in Port</u>
		<u>Inbound</u>	<u>Outbound</u>	<u>In-transit</u>	
British	Iberia	371	323	782	6-25 & 26-66
British	Arcadia	148	177	939	10-7 & 8-66
British	Orsova	173	209	856	9-18-66
British	Oriana	112	230	1,538	9-8-66
British	Canberra	233	219	1,272	10-4-66
British	Canberra	319	291	927	8-22-66

Other witnesses were from the Chamber of Commerce of San Pedro and Wilmington and a district manager for a steamship company, who contacted a large number of the in-transit passengers, testified to the great demand for this service, and all of whom supported the type of service proposed by this applicant.

A tourist testified that she departed San Francisco on a South Pacific cruise on May 8, 1966, and arrived in Los Angeles about 7:00 a.m. and that she wanted to visit Knott's Berry Farm, but could not get transportation at the Los Angeles Harbor so she took a taxicab to Wilmington and spent her time there. She testified that on her trip to the South Pacific she took conducted sightseeing tours in Tahiti, New Zealand, Hawaii and Fiji and some in other places. The witness testified that there was no information given on the bulletin boards on the vessel about tours in Los Angeles and that there were no buses on the dock and that she did walk four or five blocks to a local bus; that she left Los Angeles about 10:00 o'clock that night on the cruise. The witness testified that tickets were offered on the boat for tours in other ports together with information about the places to visit.

Evidence of Protestant Gray Line

An executive of protestant Tanner Motor Tours, hereinafter referred to as Gray Line, testified that his company had been meeting ships at the docks at the request of travel agencies, to conduct tours in many parts of Southern California ever since 1930; that about October 18, 1964, the company suffered a strike and all of its services in this area were suspended through February 15, 1965, when services were partially resumed on other tours, however, service is not being provided to the Los Angeles Harbor area (San Pedro and Wilmington); that during the suspension of services, charter buses and the Southern California Rapid Transit District provided transportation service from the Los Angeles Harbor

area (San Pedro and Wilmington); that after its services were resumed in March 1965, the steamship companies have been reluctant to request Gray Line service because they did not want to get involved with the Longshoreman's Union; that the Gray Line is now ready, able and willing to provide tour service to the docks where this applicant requests authority to provide tour operations, but that it is not practical to meet all the vessels but only those vessels upon which the purser has advised that there are sufficient numbers of passengers desiring tours. The Gray Line service was described as a complete tour service to the movie studios, Knott's Berry Farm, Marineland, and homes of the movie stars, conducted in deluxe buses with public address systems and tour guides, with the buses being dispatched to the docks upon request of travel agencies and when the purser of an arriving vessel advised there were passengers aboard desiring to take tours. No coaches are sent down without an advance request. The Gray Line service provides pickup buses at hotels and other starting areas to shuttle tourists to the Gray Line terminal in downtown Los Angeles where they board tour buses for the tour or tours of their choice.

Exhibits 6, 7 and 8 are copies of letters from travel representatives to the Gray Line requesting buses for tours. Exhibit 9 is a list of equipment operated by Gray Line consisting of 32 buses of 39 to 49-passenger capacity.

Exhibit 10 is a printed brochure describing Gray Line's sightseeing guided tours. On the facing page a paragraph of instructions is quoted as follows: "Departure time means from Gray Line terminal, 1207 W. 3rd St., Los Angeles. Pickup time

at downtown hotels 25 minutes earlier; from Hollywood hotels, 40 minutes earlier." Exhibit 10 does not describe a tour originating from Los Angeles Harbor (San Pedro and Wilmington).

Another witness testified that she was employed by Gray Line and worked from 1952 to 1964 at the Statler Hilton Hotel. She testified she met the steamship lines, collected the fares and she stated that the Gray Line buses were sent to the docks only at the request of the tourist travel agencies when it was known how many passengers would arrive on a vessel. She further testified that there is a very great need for this type of deluxe tourist service in the harbor areas.

The contention of Gray Line that it is authorized to render service to Los Angeles Harbor (San Pedro and Wilmington) is set forth in its brief as follows:

"Decision 22644 grants authority from "Los Angeles" and other designated areas and authorizes service to numerous designated points, including virtually all of the major sight-seeing attractions, from steamship docks located in Los Angeles County. Decision 40623 authorizes all service proposed by applicant except Disneyland directly. Under each of these decisions Gray Line has continuously over the years, maintained that when the decision does not specifically state a pickup point, that pickups are authorized anywhere in Los Angeles County, including the Los Angeles Harbor. The same is true for Decision 51185 which authorizes service from Long Beach. It is now and always has been Gray Line's position that this decision authorizes service to Disneyland from steamship terminals in Long Beach



directly and from Wilmington and San Pedro via joinder with authority in Decision 40623."

Evidence of Protestant Transit District

An engineer employed by protestant Southern California Rapid Transit District, hereinafter referred to as District, testified that the District operates 1,500 buses 365 days a year over 2,200 miles of streets and highways; that the District was requested to provide service to the docks at Los Angeles Harbor when the protestant Gray Line suspended service and has been providing that service ever since. The witness testified that the service originally was instituted as an interim operation, but that it has become more or less permanent and any change or new service which would be authorized in this area would greatly reduce the revenue of the District. He stated that all of the service provided by the District in this connection is point to point transit service utilizing transit type buses, without any public address system, all of which make local stops, except limited buses. The buses of the District are operated to downtown Los Angeles on its Line 37 from the docks and the time required is 50 minutes with a fare of 89 cents. The District operates other similar schedules to or near the other points to which the applicant herein proposes sightseeing service.

The Southern California Sightseeing Company, Inc., appeared as protestant on August 2, 1966, but did not appear at any subsequent days of the hearing and did not file any brief of its position in this matter. A letter was received from

attorneys for this protestant dated October 31, 1966, stating that its protest is based on its pending Application No. 47382 and requested that the Commission take official notice of that application in its disposition of this matter. Since then, Application No. 47382 has been decided by the issuance of Decision No. 71482, dated October 25, 1966, and a subsequent hearing held. Application No. 47382 did not request any authority to pick up tour passengers at the Los Angeles Harbor area (San Pedro and Wilmington), and Decision No. 71482 did not grant such authority. Decision No. 71482 provides for pickup for sightseeing service in Los Angeles, Beverly Hills, Santa Monica, Long Beach and the area around Disneyland and Knott's Berry Farm and authorizes pickup at the terminals of applicant or hotels in the vicinity for a continuous trip with one terminus only. No mention is made of any right to pick up from vessels at Los Angeles Harbor (San Pedro and Wilmington).

San Pedro and Wilmington and the Los Angeles Harbor are within the corporate limits of the City of Los Angeles but are many miles from the hotels in central Los Angeles. The city limits extend to a large portion of the county on the west and also the San Fernando Valley and there are 76 incorporated municipalities within the county. It is unrealistic to shuttle in-transit passengers to downtown terminals for sightseeing tours to Disneyland in Orange County, Marineland, and other points here proposed.

The claim of Gray Line that its certificated authority gives it the right to make pickups anywhere in Los Angeles County, including the Los Angeles Harbor, is not supported by the law and the evidence in this case. At one time Tanner had authority to transport passengers and their baggage between certain points in the City of Los Angeles and the steamship docks at the Los Angeles-Long Beach Harbor but by authority of Decision No. 69452, dated July 27, 1965, transferred this right to Airporttransit. Gray Line has authority to take a tour through the Los Angeles Harbor for sightseeing and boat trips, but has not established that it has any authority to operate any sightseeing buses on continuous sightseeing trips with one terminus at Los Angeles Harbor (San Pedro and Wilmington). Gray Line maintained, but did not establish, that it would be uneconomical to meet all passenger vessels coming into this harbor.

#### Findings

1. Applicant possesses the experience, equipment, personnel and financial resources to institute and maintain the proposed service.
2. Applicant's proposed service will place more convenient and efficient transportation facilities at the disposal of tourists arriving on vessels at the Los Angeles Harbor area (San Pedro and Wilmington).
3. Gray Line has not established that it has authority to operate sightseeing tour trips from one terminus originating from Los Angeles Harbor area (San Pedro and Wilmington).

4. Gray Line is not now providing the service proposed by applicant and has not offered to provide tours for in-transit passengers on all vessels arriving at the Los Angeles Harbor area (San Pedro and Wilmington) and will not provide such service to the satisfaction of the Commission.

5. Applicant's proposed service will draw upon a segment of the traveling public that would not utilize the protestants' service. Applicant's proposed service will not be likely to reduce patronage of the protestants.

6. The service provided by District is not competitive with the service proposed by applicant for the reason that it is a point to point service at a much lower fare, with no tour guides, air conditioning, or deluxe buses with reclining seats, and is not a continuous sightseeing trip with one terminus.

7. The Southern California Sightseeing Company does not have, and has not applied for, any authority to operate sightseeing buses on sightseeing trips with one terminus originating at Los Angeles Harbor (San Pedro and Wilmington) and meeting all vessels arriving there.

8. The money, property or labor to be procured or paid for by the issue of the stock and indebtedness herein authorized 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.

9. The Commission, having considered the matter, finds that public convenience and necessity require that the proposed service be established.

Conclusion

It is concluded that the application should be granted as set forth in the ensuing order. The request by protestant Gray Line for a proposed report is denied.

California Sightseeing Tours, 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 California Sightseeing Tours, 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.
2. California Sightseeing Tours, Inc., is hereby authorized to issue and sell fifty (50) shares of its stock at par value of \$100 per share to Dominic A. Mannino, the proceeds to be used for

organizational expense and working capital and other initial expenses in connection with the institution of the service.

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. 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) 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.

- (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 11th day of MAY, 1967.

[Signature]  
President

[Signature]

[Signature]

[Signature]  
Commissioners

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Appendix A CALIFORNIA SIGHTSEEING TOURS, INC. Original Page 1  
(a corporation)

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. 72411,  
dated MAY 16 1967, of the Public Utilities  
Commission of the State of California on Application No. 48486.



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Appendix A CALIFORNIA SIGHTSEEING TOURS, INC. Original Page 2  
(a corporation)

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

California Sightseeing Tours, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers for sightseeing purposes commencing at the Los Angeles Harbor (San Pedro and Wilmington) to points of interest in Los Angeles and Orange Counties, and returning to the point of beginning in the Los Angeles Harbor, over and along the routes hereinafter described, subject to the following conditions and restrictions:

- (a) Service shall be limited to the transportation of round-trip passengers, originating in the Los Angeles Harbor, San Pedro and Wilmington.
- (b) Service shall be operated in conjunction with tour steamship arrivals and subject to a minimum of ten adult passengers.

Issued by the California Public Utilities Commission.

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Appendix A CALIFORNIA SIGHTSEEING TOURS, INC. Original Page 3  
(a corporation)

SECTION 2. ROUTE DESCRIPTIONS

Subject to the authority of this Commission to change or modify such at any time, California Sightseeing Tours, Inc., shall conduct said sightseeing passenger stage operations over and along the following routes:

TOUR No. 110 - DISNEYLAND-KNOTT'S BERRY FARM

Commencing at the Los Angeles Harbor, San Pedro and Wilmington, thence via the most appropriate route or routes to points of interest in order:

Vincent Thomas Bridge, City of Long Beach, Belmont Shore, Bay of Naples, Huntington Harbour, Los Alamitos Naval Air Station, Disneyland, Knott's Berry Farm, Hollywood Wax Museum and return to the point of beginning via the most direct route.

TOUR No. 111 - MARINELAND

Commencing at the Los Angeles Harbor, San Pedro and Wilmington, thence via the most appropriate route or routes to points of interest in order:

Ports of Call, Cabrillo Marine Museum in San Pedro, Point Fermin, Wayfarers Chapel, Marineland, Palos Verdes Drive North and East and return to the point of beginning via the most direct route.

TOUR No. 112 - MOVIE STUDIO-LOS ANGELES

Commencing at the Los Angeles Harbor, San Pedro and Wilmington, thence via the most appropriate route or routes to points of interest in order:

University of Southern California Campus, Los Angeles Memorial Coliseum, Sports Arena, Los Angeles Civic Center, Olvera Street, Dodger Stadium, Universal-International Studio or Metro-Goldwyn-Mayer Studio (Culver City) and return to the point of beginning via the most direct route.

Issued by the California Public Utilities Commission.

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TOUR No. 113 - HOLLYWOOD TOUR-MOVIE STARS' HOMES

Commencing at the Los Angeles Harbor, San Pedro and Wilmington, thence via the most appropriate route or routes to points of interest in order:

University of Southern California Campus, Los Angeles Memorial Coliseum, Sports Arena, Los Angeles Civic Center, Olvera Street, Dodger Stadium, Grauman's Chinese Theater, Farmers Market, Beverly Hills, and return to the point of beginning via the most direct route.

TOUR No. 114 - MARINELAND - MOVIE STUDIOS

Commencing at the Los Angeles Harbor, San Pedro and Wilmington, thence via the most appropriate route or routes to points of interest in order:

San Pedro, Wayfarers Chapel, Marineland, Beach Cities, Los Angeles International Airport, Playa del Rey (Yacht Harbor), Santa Monica Beach, University of California at Los Angeles, Universal-International Studio or Metro-Goldwyn-Mayer Studio (Culver City), and return to point of beginning via the most direct route.

TOUR NO. 115 - DISNEYLAND-LOS ANGELES CIVIC CENTER-HOLLYWOOD

Commencing at the Los Angeles Harbor, San Pedro and Wilmington, thence via the most appropriate route or routes to points of interest in order:

Vincent Thomas Bridge, City of Long Beach, Belmont Shore, Bay of Naples, Huntington Harbour, Los Alamitos Naval Air Station, Disneyland, Knott's Berry Farm, Hollywood Wax Museum, Angel Stadium, Dodger Stadium, Los Angeles Civic Center, Olvera Street, Grauman's Chinese Theater, Beverly Hills, Los Angeles Memorial Coliseum, Sports Arena, and return to point of beginning via the most direct route.

TOUR No. 116 - MOVIE STUDIO-HOLLYWOOD-MOVIE STARS' HOMES

Combination of Tours Nos. 112-113.

Issued by the California Public Utilities Commission.

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