

ORIGINAL

Decision No. 72982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
PERSHING L. REINER, doing business)
as, LAGUNA TRANSIT, for a certifi-)
cate of public convenience and)
necessity as a passenger stage cor-)
poration authorizing the establish-)
ment of an additional service)
between Laguna Beach, Laguna Hills)
and Orange County Airport, pursuant)
to Sections 1031-1036 of the)
California Public Utilities Code.)

Application No. 49290
(Filed April 14, 1967)

Russell and Schureman, by Carl H. Fritze, for applicant.
George Shibata, for Donald Ebert, doing business as Laguna Limousine Service, protestant.
Donald W. Boyles, for Airport Coach Service; George A. Cordier, for South Coast Transit Corp.; and C. J. Holzer, for Southern California Rapid Transit District; interested parties.
L. P. Jacobson, for the Commission staff.

INTERIM OPINION

This application was heard before Examiner DeWolf at Laguna Beach, California, on June 1 and 22, 1967, and submitted on June 22, 1967. Copies of the application and the notice of hearing were served in accordance with the Commission's procedural rules. The protestant is Donald Ebert, doing business as Laguna Limousine Service.

Applicant operates a passenger stage corporation service presently transporting passengers and their baggage between the north city limits of Laguna Beach through the City and south to Three Arch Bay over certain routes, streets, and highways, and requests authority to extend this presently authorized service

from Laguna Beach to Laguna Hills and Orange County Airport, California, with service to certain intermediate points; also there will be three local stops between Laguna Hills and Laguna Beach to give service to a growing church of three hundred members.

Applicant's present operating authority is set forth in Decision No. 38861, in Application No. 27136, revised by Decision No. 47208, in Application No. 33272, and was transferred to the applicant by Decision No. 50779, in Application No. 35868, dated November 16, 1954. Applicant proposes to operate five round trips weekdays and three on Sundays and holidays with schedules designed to connect with airline flights to and from the Orange County Airport and to connect with Airport Coach Service for passengers desiring to continue to the Los Angeles International Airport. He will furnish a waiting room with comfortable seats, rest rooms, and space for baggage in Laguna Beach. Applicant employs four drivers, and operates three 21-passenger buses, and plans to add additional employees. Applicant's manager testified that he has arranged for purchase and will use a new 21-passenger air-conditioned minibus to initiate the new service, and that he has arranged for parking at the Orange County Airport. He further testified that a profit is not expected out of the new operation for the first year but that estimates indicate it would pay expenses and begin to show a profit the second year.

Applicant's proposed fare schedule is as follows:

<u>PROPOSED ONE WAY PASSENGER FARES</u>				
<u>AND</u>	<u>BETWEEN</u>	<u>LAGUNA TRANSIT DEPOT</u>	<u>LAGUNA HILLS BUS STOP</u>	<u>ORANGE COUNTY AIRPORT CAMPUS DR.</u>
Orange County Airport, Campus Dr.		\$2.00	\$1.30	-
Campus Road		2.00	1.30	\$.25
Jamboree Road		2.00	1.30	.50
Lane Road		2.00	1.30	.50
Laguna Hills, Leisure World Bus Stop		.70	-	1.30
Eastern Laguna Beach City Limits		.50	.25	2.00
El Toro Road & Laguna Canyon Road		.50	.50	2.00
Canyon Acres Road		.25	.50	2.00
Laguna Beach, Laguna Transit Depot		-	.70	2.00

Children under 5 years with an adult - Free.

Children between 5 and 12 years - one-half the adult fare, from 15 cents.

Applicant's profit and loss and financial statement shows his present operations are profitable and that his assets total \$145,000. Applicant's manager testified that he is operating at a profit in Laguna Beach, an area of 15,000 people; that he has thirteen daily schedules along Coast Boulevard with a bus station, comfortable waiting room with seats, and rest rooms.

Applicant introduced into evidence Exhibits Nos. 1 through 18, which are copies of applicant's operating authority, timetable, financial statements, proposed routes, equipment lists, photos of new buses, proposed fares, picture folders of Laguna Beach, and a chart of inquiries received.

Exhibits Nos. 16 and 17 are publications of the Chamber of Commerce of Laguna Beach which describe the rapid growth taking place in this area both at Laguna Beach and at the Leisure World retirement center at Laguna Hills, and are illustrated with pictures

of the many attractions at Laguna Beach including its Art Center, and advertising for over 350 members of the Laguna Beach Chamber of Commerce. Exhibit No. 18 is a chart of inquiries received regarding advertisement in Anaheim Supplement-Travel Trade Magazine. The manager of the Laguna Beach Chamber of Commerce testified that bus transportation is needed from Laguna Beach to the Orange County Airport to service the increasing number of passengers coming in at the airport.

Applicant called seventeen public witnesses who testified that the service proposed by applicant is needed very much and that applicant is qualified by his present good service in Laguna Beach to handle the new routes. These witnesses testified that the area is rapidly growing and that Leisure World at Laguna Hills has 9,000 people and, also, is rapidly growing. The witnesses were representatives of Public Relations, Travel Services, Chamber of Commerce, Leisure World, the Airport, A-Taxi Company, and the Mayor of Laguna Beach. Some of the witnesses testified that the present nine-passenger buses operated by protestant Donald Ebert between Laguna Beach and Laguna Hills have been unable to handle the passengers presenting themselves at the bus stop on Tuesdays and Thursdays when the merchants of Laguna Beach pay the bus fare. Witnesses testified that often the buses on these occasions were overcrowded and that sometimes passengers were left standing in the rain. The witnesses testified that the present service is inadequate between Laguna Hills, Leisure World, and Laguna Beach.

A taxi operator testified that the protestant did not follow his posted schedules, and at times departed from the regular routes to deliver passengers at hotels and residences, and that he objected to this practice because it encroached upon his business.

Numerous residents of Laguna Beach or Laguna Hills who are in business or have public interests in the area all testified in support of the application and to the need for improved bus service as proposed, including a larger bus, more frequent schedules, and intermediate stops for local passengers. In addition, the consensus of these witnesses is that the present service being given by protestant is inadequate, overcrowded, with many passengers often waiting for a return trip of the small station wagon used in this operation.

Applicant's manager testified that his buses would not stop at the area of the sales office at Leisure World where protestant's buses stop for passengers and that he did not intend to put the protestant out of business but would not accept a certificate without any service stop at Leisure World in Laguna Hills.

The protestant filed an affidavit, the first page of which was received in evidence as Exhibit No. 19, to show information appearing in its annual report as follows:

Mileage covered in 1966	115,000
Passengers carried in 1966	5,000
Gross income from fares	\$ 11,604.25
Operating expenses exclusive of wages for self	\$ 11,493.96
Net profits for 1966	\$ 110.29

Protestant is operating passenger and baggage transportation service from Laguna Beach to Laguna Hills to Disneyland and return, under the authority granted by Decision No. 63819, dated June 15, 1962, in Application No. 44351, and Decision No. 70162, dated January 4, 1966, in Application No. 47797.

The protestant did not testify or give any other operating evidence. The filed affidavit contains the statement that protestant desires to take all necessary steps for expansion of service on this route.

Two public witnesses testified in support of protestant that they use his service regularly, that they never have to wait, that he is a safe driver, a perfect gentleman, and that they would be distressed if he had to give up the bus service.

Findings

Upon consideration of the evidence the Commission finds that:

1. Applicant possesses the experience, equipment, personnel, and financial resources to institute and maintain the proposed service.
2. A public need exists for improved bus service between Laguna Beach and Laguna Hills consisting of larger buses, more frequent schedules and intermediate stops.
3. The service now offered and the equipment used by protestant Donald Ebert do not satisfactorily meet all the needs of the public as established in this proceeding, but he has offered to improve the service between Laguna Beach and Laguna Hills.
4. Section 1032 of the Public Utilities Code provides:
". . . . The commission may, after hearing, issue a certificate to operate in a territory already served by a certificate holder under this part only when the existing passenger stage corporation or corporations serving such territory will not provide such service to the satisfaction of the commission."
5. Absent Section 1032, public convenience and necessity would require granting the application of Pershing L. Reiner.
6. Donald Ebert is not now providing a service satisfactory to the Commission.
7. Donald Ebert is willing to provide a service satisfactory to the Commission.

Based upon the foregoing findings of fact the Commission concludes that a decision in this proceeding should be deferred for not less than ninety days and that further hearing should be held on December 12, 1967, to determine what efforts Donald Ebert has made to improve his service and whether or not such service is satisfactory to the Commission. Application No. 49290 will thereafter be decided.

Dated at San Francisco, California, this 29th day of AUGUST 1967.

[Signature]
President
[Signature]
Assistant
[Signature]
Commissioners
[Signature]
Commissioners