

ORIGINALDecision No. 73509

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN CLEMENTE STAGE LINES, INC., a California corporation, for authority to sell certain operating rights and its operating equipment to COMMUNITY ENTERPRISES, INC., a California corporation, and the Application of COMMUNITY ENTERPRISES, INC., to acquire said operating rights and equipment.

Application No. 49740
(Filed October 13, 1967)

O P I N I O N

By this application, San Clemente Stage Lines, Inc. (Stage Lines) seeks authority to sell, and Community Enterprises, Inc. (Community) seeks authority to buy, certain operative rights and operating equipment owned by the former. Stage Lines operates passenger stage service between the City of San Clemente, on the one hand, and Camp San Onofre, Camp Horno, Camp San Mateo, Camp Talega and Camp Christianitos (all of which camps are located in the Camp Pendleton Marine Base), on the other hand. Said service is rendered under a certificate of public convenience and necessity acquired by Decision No. 59142, the operating rights conveyed by which are described in Decisions Nos. 51225 and 51394. Community presently operates buses in charter service and in parochial and public school service in Orange and Los Angeles Counties.

Community proposes to acquire the aforesaid certificate from Stage Lines and to purchase from the latter all of its equipment, consisting of eight coaches, presently utilized in the San Clemente-Pendleton service. Community proposes also to adopt the

tariffs of Stage Lines, with no changes in present fares or other tariff provisions. Assertedly, Community will operate the same schedules and level of service as are presently maintained by Stage Lines. The purchaser plans also to use the terminal facilities in San Clemente now maintained by the seller.

According to the application, the president of Stage Lines has been operating the service in question, first as an individual and later as a corporation, since 1955. He now desires to cease operations. Community, assertedly, is experiencing substantial growth in its school contract and charter passenger business. It now desires to expand into the field of passenger stage operations. It is staffed by experienced personnel.

The consideration involved in the proposed transaction is \$88,000, payable as follows: \$5,000 to be paid on or before August 15, 1967; \$3,000 to be paid within seven days after date of the Commission's approval of the transfer; the balance to be paid under a promissory note at the rate of \$975 or more per month, including interest at 4 percent per annum on the unpaid balance, until fully paid. The financial condition of Community, as of May 31, 1967, was as follows:

Total Assets	\$232,392.10	
Total Liabilities	<u>186,992.60</u>	
Net Worth		<u>\$45,399.50</u>
Represented by Capital Stock		
Outstanding	\$ 1,000.00	
Unearned Surplus	5,000.00	
Earned Surplus	33,577.63	
Net Income (January 1, 1967- May 31, 1967)	<u>5,821.87</u>	<u>\$45,399.50</u>

After consideration the Commission finds that:

1. 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 San Clemente Stage Lines, Inc. and the issuance of a certificate in appendix form to Community Enterprises, Inc.

2. The issuance of a promissory note, as described in Exhibit C of the application, should be authorized. Such issuance 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 authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

Community Enterprises, 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. On or before March 1, 1968, San Clemente Stage Lines, Inc. may sell and transfer, and Community Enterprises, Inc. may purchase and acquire, the operative rights and property referred to in the application.

2. Community Enterprises, Inc. is authorized to issue a promissory note in the amount of not to exceed \$80,000, as described in, and subject to the conditions set forth in, the security agreement reproduced in Exhibit C of Application No. 49740.

3. Within thirty days after the consummation of the transfer herein authorized, Community Enterprises, Inc. 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.

4. 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 San Clemente Stage Lines, Inc. has withdrawn or canceled, and Community Enterprises, Inc. has adopted or established, as its own, said rates and rules. 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 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. Failure to comply with and observe the provisions of General Orders Nos. 79 and 98-A may result in a cancellation of the operating authority granted by this decision.

5. On or before the end of the third month after the consummation of the transfer as herein authorized, Community Enterprises, Inc. 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.

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

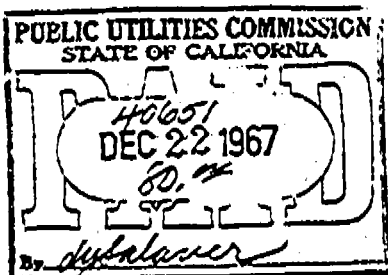
7. The certificate of public convenience and necessity granted in paragraph 6 of this order shall supersede the certificate of public convenience and necessity acquired by Decision No. 59142, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 4 hereof.

8. In providing service pursuant to the certificate herein granted, Community Enterprises, Inc. shall comply with and observe the following service regulations. Failure so to do may result in a cancellation of the operating authority granted by this decision:

- (a) Within thirty days after the effective date hereof, Community Enterprises, Inc. 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.
- (b) Community Enterprises, Inc. 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 authority herein granted to issue a note will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$80.00. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of DECEMBER, 1967.



[Signature] President
[Signature]
[Signature]
[Signature] 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. 73509,
dated December 19, 1967, of the Public Utilities Commission
of the State of California, on Application No. 49740.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS
AND SPECIFICATIONS

The certificate hereinafter noted supersedes all operative authority heretofore granted to San Clemente Stage Lines, Inc., a corporation.

Community Enterprises, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin is authorized to transport passengers between the City of San Clemente, on the one hand, and Camps San Onofre, Horno, San Mateo, Talega and Christianitos, on the other hand, over and along the routes hereinafter described, subject to the following condition:

All passengers originating at or destined to the City of San Clemente shall originate at or be destined to Camp San Onofre, Camp Horno, Camp San Mateo, Camp Talega or Camp Christianitos.

Issued by California Public Utilities Commission.

Decision No. 73509, Application No. 49740.

SECTION 2. ROUTE DESCRIPTIONS

Camp San Onofre - Camp Horno

Commencing at applicant's terminal in San Clemente, thence via El Camino Real (U.S. Highway 101), Santa Ana Freeway, Basilone Road, to the Camp San Onofre gate. Return via the reverse of the going route.

Camp San Mateo - Camp Christianitos - Camp Talega

Commencing at applicant's terminal in San Clemente, thence via El Camino Real (U.S. Highway 101) to the Camp San Mateo gate. Return via the reverse of the going route.

Issued by California Public Utilities Commission.

Decision No. 73509, Application No. 49740.