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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of AIRPORT COACH SERVICE for
authority to lease equipment.

Application No. 50491
(Filed August 16, 1968)

O P I N I O N

Applicant Airport Coach Service (Airport Coach) seeks authority to amend the terms of an equipment lease between it and its wholly owned subsidiary, Orange Coast Sightseeing Company (Orange Coast).

By Decision No. 69671, dated September 14, 1965, in Application No. 47707, Orange Coast was granted a certificate of public convenience and necessity to operate as a passenger stage corporation and to conduct a sightseeing service in Orange County at a fare of \$5.00 for adults and \$2.50 for children. This decision also approved the application of Airport Coach to purchase the stock of Orange Coast and to lease bus equipment as needed to Orange Coast. This lease agreement provided for a rental charge of \$35.00 per day for the use of a 25- or 29-passenger bus, and \$45.00 per day for the use of a 41-passenger vehicle. By joint letter dated October 15, 1965, Orange Coast accepted the certificate and Airport Coach agreed to the terms and conditions of the Commission's order approving its acquisition of Orange Coast and the lease agreement between them.

By the application herein, Airport Coach requests approval of a new lease agreement between itself and its wholly

owned subsidiary, Orange Coast. This new lease makes available no more than six buses for rental purposes; and it provides for payment for the use of a 29-passenger bus at the rate of 28 cents per mile, and for the use of a 45-passenger vehicle at the rate of 31 cents per mile. It also provides that Orange Coast may hire bus drivers employed by Airport Coach.

Airport Coach requests that approval of this new lease be determined on an ex parte basis since no change in rates to the public will result.

A letter of protest was filed on August 28, 1968 by The Gray Line Tours Company (Gray Line). Discussions between the parties to achieve withdrawal of the protest failed to produce positive results. On July 22, 1969 Airport Coach filed a motion to dismiss the protest of Gray Line and to issue a decision ex parte. This motion was served on Gray Line. It has not filed an answer or reply with the Commission.

We agree that Airport Coach's motion should be granted. No change in the rates charged to the public is involved. Moreover, Gray Line's letter of protest fails to state in any manner whatsoever how it will be adversely affected or suffer from an order granting Airport Coach's request.

Airport Coach states in its motion that the terms of the new lease were presented in detail by Orange Coast in the hearings held in its Application No. 49730 (Proposed Report issued March 14, 1969), in which Gray Line actively participated as a protestant. Since no reply denying these statements has been filed by Gray Line, and since Gray Line's letter of protest fails to show in any manner how the change in the lease terms will affect the services,

operations or rights of Gray Line, we conclude that the motion to dismiss the protest should be granted.

After consideration, the Commission finds that:

1. By Decision No. 69671, dated September 14, 1965, Orange Coast is authorized to operate as a passenger stage corporation to conduct sightseeing service in Orange County.

2. Decision No. 69671 also approved the application of Airport Coach to acquire the stock of Orange Coast, making the latter the wholly owned subsidiary of Airport Coach. It also approved Airport Coach's lease of bus equipment to Orange Coast.

3. No change in fares charged to the public by Orange Coast will result from authorization of the revised lease proposed herein.

4. The revised lease as proposed herein is not adverse to the public interest.

5. The protest filed by Gray Line fails to state in any manner whatsoever how Gray Line's services, operations or rights would be adversely affected by authorization of the revised lease proposed herein.

6. No response has been filed by Gray Line to Airport Coach's motion to dismiss the protest.

The Commission concludes that:

1. The application should be granted.

2. A public hearing is not necessary.

The findings and conclusions are not to be considered as approval of the reasonableness of the resulting rentals and inter-company changes in the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that Airport Coach Service may lease equipment to Orange Coast Sightseeing Company in the manner and for the purpose set forth in the lease agreement attached to the application in this proceeding.

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

Dated at San Francisco, California, this 28th day of OCTOBER, 1969.

William Sproule, Jr.
President

Robert J. [unclear]
[unclear]

[unclear]
[unclear]

James L. Stinson
Commissioners