

ORIGINAL

Decision No. 77224

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of PALM SPRINGS SIGHTSEEING AND )  
CHARTER COMPANY, INC., a )  
California corporation, for )  
Certificate of Public Conveyance )  
and Necessity to operate a )  
passenger station sightseeing )  
service in and around the City )  
of Palm Springs, California; )  
and for permit to issue stock. )

Application No. 49904  
(Filed December 21, 1967)

Ran Wyder, for Palm Springs Sight-  
seeing and Charter Co., applicant.  
Berol, Loughran & Geernaert by  
Marshall G. Berol, for The Gray  
Line Tours Company; and Bert M.  
Rosenberg, for Evans & Evans  
(Tramway Tours); protestants.  
William H. Well, for the Commission  
staff.

O P I N I O N

On December 20, 1968 the Commission issued Decision No. 75122 (an Interim Opinion) in the above application which found among other things that there exists in Palm Springs a public need for improved sightseeing service for scheduled tours in and around Palm Springs for at least nine months of the year, the attraction of Palm Springs as a convention center and year-round resort is rapidly growing, which will require improved facilities the year round, and that the existing passenger stage corporations serving Palm Springs should be allowed six months to improve their service.

Further hearing was held on April 2, 1970 in Palm Springs before Examiner DeWolf and the matter was submitted.

The applicant did not appear at the time set for hearing but presented itself after eleven o'clock. Both protestants appeared and elected to proceed with presentation of evidence. Applicant's representative stated that he was late on account of confusion as to location of the hearing which was originally set for the council chambers at Palm Springs City Hall.

The protestants offered evidence to show improved sight-seeing services offered by them in the Palm Springs area since the interim decision of the Commission of December 20, 1968. Two operating witnesses for Gray Line testified and three public witnesses testified on behalf of protestants, and an operating witness testified on behalf of Tramway Transportation. Eleven exhibits were introduced in evidence. Protestants offered to call six additional public witnesses from the local Palm Springs area familiar with the tourist business who would testify the same as other public witnesses. Exhibits 20, 21, 22, 23, 24, 25, 30 and 31 all contain copies of the advertising promotions of the protestants. Exhibit No. 29 is a brochure of the applicant and Exhibits 26, 27 and 28 contain statistics of Gray Line showing numbers of tickets sold, the cash receipts and a list of agents selling tickets for 1969 and 1970.

The total number of passengers handled and revenue received by Gray Line in the tours as shown in Exhibits Nos. 27 and 28 is as follows:

THE GRAY LINE TOURS CO. - PALM SPRINGS

	<u>Scheduled Sight-seeing Passengers</u>	<u>Scheduled Sight-seeing Revenue</u>
1969		
January	1,000	\$ 4,038.20
February	57	213.25
March	391	1,432.43
April	445	1,185.30
May	443	948.35
June	94	267.15
July	543	1,128.65
August	306	597.85
September	214	432.35
October	252	754.05
November	349	1,729.92
December	174	648.45
1970		
January	179	716.11
February	<u>244</u>	<u>912.80</u>
Total	4,691	\$15,004.86

Exhibit No. 26 describes the locations where Gray Line tickets are available as follows: Canyon Hotel, Howard Manor, Greyhound Bus Station, El Mirador Hotel, Riviera Hotel, Ramada Inn.

The operating witnesses for both protestants testified that they will accept one or more passengers for the tours offered and are in competition with each other for the business except that usually smaller groups are referred to Tramway and the larger to Gray Line. Gray Line has a full time year-round supervising

agent, has two buses stationed in the winter season and one bus for most of the summer and has numerous other large buses available from Los Angeles on short notice. Tramway Tours has added another limousine and has five vehicles in service and the manager testified that the smaller parties prefer the limousine vehicles to the larger vans and buses.

All of the public witnesses testified that the tour services of the Gray Line and Tramway have greatly improved during the past year and that no complaints or inadequate service have been noticed or reported.

The protestant's operating witnesses all testified that they are able to take care of a great many more passengers and tours than are being handled without adding additional equipment and that any additional carriers in the area would dilute the traffic and make it difficult for protestants to operate at a profit and would jeopardize operations.

An agent appeared for the applicant and testified that he was authorized to attend this hearing and would be the manager in charge of the applicant's operations in Palm Springs together with the Budget-Rent-A-Car business which he is also conducting for the applicant. The applicant's witness also testified that the two new owners of the applicant corporation were in Los Angeles and unable to appear at the hearing. The witness was not familiar with applicant's present financial condition or how the new owners acquired title and testified that they were operating

a number of buses under a charter certificate and had the equipment to conduct the operations proposed in the application. The witness has no previous experience in operating passenger stage sight-seeing tours and has been engaged in Palm Springs less than a year but testified that he is familiar with operations of passenger buses, is able to conduct the operations and that applicant has the finances, ability, equipment and experience to do so. Applicant's agent did not furnish any recent financial statement or information regarding the applicant or give any specific information regarding the present ownership of the applicant or its present business operations and assets.

#### Findings

Upon consideration of the evidence the Commission finds that:

1. The Gray Line Tours Company has expanded its sight-seeing service in Palm Springs by permanent location of buses, drivers, a year-round resident manager and by extensive advertising, and distribution of brochures.
2. The Tramway Transportation and Tours has improved its service by adding additional equipment for year-round service and by expanding its advertising and distribution of brochures.
3. The number of passengers transported by Gray Line for 1969 has increased substantially.

4. Gray Line and Tramway each have facilities and equipment available to handle substantial increases in numbers of passengers.

5. Gray Line and Tramway have provided service in and around Palm Springs during 1969 to date to the satisfaction of this Commission, and have complied in all respects with Decision No. 75122 dated December 20, 1968.

6. The Gray Line and Tramway Tours have not been operating at full capacity during the year and each is providing service during the summer at off season times when patronage is low, any dilution of their traffic would make it difficult for them to operate at a profit and give year-round service and would endanger their ability to render good service.

7. Public convenience and necessity require the type of sight-seeing service now being provided in Palm Springs by Gray Line Tours Company and Tramway Transportation and Tours.

The Commission concludes that public convenience and necessity do not require the certification of a third competing sight-seeing passenger stage in Palm Springs and vicinity at the present time and the application of Palm Springs Sightseeing and Charter Company should be denied for the reason that the territory is being adequately served by Gray Line Tours Company and Tramway Tours (See Section 1032 of the Public Utilities Code.)

O R D E R

IT IS ORDERED that:

The application of Palm Springs Sightseeing and Charter Company, Inc. for a certificate of public convenience and necessity to operate a passenger stage sight-seeing service in and around the City of Palm Springs, California and for a permit to issue stock is denied.

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

Dated at San Francisco, California, this 19th  
day of MAY, 1970.

William Sprague  
President

August

William J.

Thompson

Yvonne L. Sturgeon  
Commissioner