

Decision No. 83026

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of JOHNNY KENNETH CALLIHAM, dba
MAXI LINE, for a CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY
to Operate a Passenger Service
Between Palos Verdes, California,
and Hughes Aircraft Company, El
Segundo and Airport Sites.

Application No. 54474
(Filed November 30, 1973;
amended March 27, 1974)

Leonard Reid Herrst, Attorney at Law, for
Johnny Kenneth Calliham, dba Maxi Line,
applicant.

Stephen T. Parry, for Southern California
Rapid Transit District, protestant.

John deBrauwere, for the Commission staff.

O P I N I O N

Applicant Johnny Kenneth Calliham, dba Maxi Line, requests a certificate of public convenience and necessity to operate as a passenger stage corporation between Palos Verdes and the El Segundo and Los Angeles airport sites of the Hughes Aircraft Company (Hughes) transporting only employees of Hughes. The application was heard in El Segundo on March 27, 1974 before Examiner Pilling. The application was protested by the Southern California Rapid Transit District (RTD).

Applicant, a full-time employee of Hughes, intends to conduct a commuter bus operation with two buses, one a Flexible 29-passenger bus and the other a Maxiwagon 15-passenger bus. Applicant will drive one of the buses and an employee of Hughes, whose remuneration is a free ride to and from work, will drive the other bus. The proposed operation is presently being conducted transporting a total of 19 passengers. Both schedules have the same pickup points in the morning, each leaving the first stop at 7:10 a.m. but delivering passengers to different Hughes' facilities. One run is scheduled to take 50 minutes and the other 60 minutes. The buses are idle during the remainder of the day until they make their homeward bound runs starting at 5:15 p.m. and 5:10 p.m., respectively, and arriving at the last stop at approximately 6:00 p.m. Applicant estimates that he has a net worth of approximately \$39,342. Applicant is now charging either \$7 or \$8 per week per passenger depending on the stops from and to which the passenger is transported, but intends to increase each fare to \$9 and \$10, respectively. Applicant estimates that he is netting and will net approximately 15 percent profit from his operations.

To test public bus service between his home in Torrance and his place of work at Hughes, applicant recently boarded a Torrance Transit bus at Torrance at 6:58 a.m. and had to interchange twice to an RTD bus, arriving at work at 9:40 a.m. for an elapsed time of 2 hours and 42 minutes.

Five employees of Hughes who ride in applicant's present service appeared in support of the continuation of applicant's service and testified variously that they are within walking distance of the bus; that the bus ride gives them time to relax and to sleep; that such relaxation possibly improves their job performance; that in taking the closest public transportation service they would have to interchange twice and that no shelters from the rain are provided at the interchange points; and that they would have to get off work early in order to catch an RTD bus to connect with the last schedule of the day operated by the final interchange carrier.

Applicant introduced into evidence verified statements of nine of his present riders stating the proposed service was convenient and necessary for them.

The witness for protestant RTD testified that RTD operated a bus schedule which left Redondo Beach at 7:20 a.m. and arrived at the Los Angeles International Airport at 8:04 a.m., and in the return direction leaves the vicinity of the Los Angeles International Airport at 5:29 p.m. and arrives at Redondo Beach at 5:59 p.m. The southernmost point of pickup of this route lies approximately 6 road-miles to the north of the southernmost pickup point on applicant's proposed route and 4-1/2 miles west of applicant's proposed pickup point at Torrance. RTD also has a schedule leaving at 6:52 a.m. from Hawthorne Boulevard and Silver Springs Road, one of applicant's proposed stopping points, to Redondo Beach, requiring further interchanges to arrive at the vicinity of the Los Angeles International Airport. The witness

for RTD stated that starting April 1, 1974 the fare on RTD will be 25 cents one way. When RTD's service is used in connection with a municipal carrier, such as Torrance Transit, there is an extra 10-cent fare. RTD offers a subscription service which is similar to that proposed here but made no mention that it was in a position to offer such service to the passengers who would use the proposed service. RTD has plans for a general improvement in its service, including, possibly, service from Palos Verdes, and intends to purchase 200 new buses, all of which are dependent upon the outcome of a ballot measure to increase taxes to be submitted to the people later this year.

At the hearing applicant attempted to amend the application to include a route from a different part of Palos Verdes to Culver City. This amendment was properly rejected by the examiner since it included entirely new territory and substantially increased the scope of the application.

Findings.

1. Applicant proposes to engage in the operations of a passenger stage corporation as defined in Section 226 of the Public Utilities Code.
2. There is presently no certificated passenger stage service between the points and over the routes applicant proposes to serve.
3. Applicant possesses the necessary equipment to conduct the limited operation proposed.
4. Applicant intends to conduct operations only during the morning and late afternoon commute rush hours in the transportation of employees of Hughes.
5. Applicant proposes to transport passengers to or from but not between the facilities of Hughes.

6. Applicant is fit, willing, and able to conduct the proposed service.

7. Fourteen persons who are employees of Hughes (five in person and nine by petition) attested to the convenience and necessity of the proposed operation and stated they would use the service if the requested certificate is issued.

8. Existing public passenger transportation is cumbersome and inadequate to fill the needs of the involved Hughes' employees who live in the Palos Verdes area.

9. While RTD has plans to improve and expand its service, such plans are dependent on the willingness of voters to vote increased taxes on themselves and are speculative. RTD's service is not presently competitive to applicant's.

10. Public convenience and necessity require the proposed service.

11. The project involved in this proceeding, with reasonable certainty, will not have a significant effect on the environment.

Conclusion

A certificate of public convenience and necessity should be issued to applicant to operate as a passenger stage corporation as set out in the ensuing order.

Applicant is 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. 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.

Applicant is admonished not to expand or change its operations as set forth in the ensuing certificate or to institute any new passenger stage operations without prior authorization from this Commission.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Johnny Kenneth Calliham authorizing him to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes set forth in Appendix A, attached hereto and made a part hereof.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if he accepts the certificate he will be required, among other things, to comply with the safety rules of the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98-Series, and the insurance requirements of the Commission's General Order No. 101-Series.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service 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 authorized service.
- (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-Series and 98-Series.

- (e) Applicant shall maintain his 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 his 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 thirty days after the date hereof.

Dated at San Francisco, California, this 25th day of JUNE, 1974.

Vernon L. Litchman
President
William J. ...
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...
...
Commissioners

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Appendix A

Johnny Kenneth Callihan
dba Maxi Line

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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. 83026
dated JUN 25, 1974, of the Public Utilities
Commission of the State of California, on Application No. 54474.

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Appendix A

Johnny Kenneth Calliham
dba Maxi Line

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Issued by California Public Utilities Commission.

Decision No. 83026, Application No. 54474.

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

Johnny Kenneth Calliham, doing business as Maxi Line, is authorized to transport passengers between Palos Verdes, on the one hand, and the Hughes Aircraft Company facilities in El Segundo and the Los Angeles International Airport, on the other hand, over and along the routes hereinafter described, subject to the following conditions and restrictions:

- (a) Motor vehicles may be turned at termini and intermediate points, in either direction, at intersections of streets or by operating around a block contiguous to such intersections, in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (c) Only passengers destined for or originating at the Hughes Aircraft Company facilities shall be transported.
- (d) Service will be operated at times necessary to meet employee needs on regular working days.

SECTION 2. ROUTE DESCRIPTIONS.

Maxi Line 1

Beginning at the intersections of Hawthorne Boulevard and Crest Road; thence northward on Hawthorne Boulevard to Highridge Road eastward on Highridge Road to Crest Road; thence northward on Crest Road to Crenshaw Boulevard; thence northward on Crenshaw Boulevard to Silver Spur Road; thence westward on Silver Spur Road to Palos Verdes Drive North; thence eastward on Palos Verdes Drive North to Crenshaw Boulevard; thence northward on Crenshaw Boulevard to San Diego Freeway; thence northward on San Diego Freeway to Century Boulevard; thence westward on Century Boulevard to Hughes Aircraft Company Buildings 108, 117, and adjacent buildings. Return via the reverse of the going route.

Maxi Line 2

Beginning at the intersections of Hawthorne Boulevard and Crest Road; thence northward on Hawthorne Boulevard to Highridge Road; thence eastward on Highridge Road to Crest Road; thence northward on Crest Road to Crenshaw Boulevard; thence northward on Crenshaw Boulevard to Silver Spur Road; thence northward on Silver Spur Road to Palos Verdes Drive North; thence eastward on Palos Verdes Drive North to Crenshaw Boulevard; thence northward on Crenshaw Boulevard to San Diego Freeway; thence northward on the San Diego Freeway to Imperial Highway; thence westward on Imperial Highway to Hughes Aircraft Company Building 125 and adjacent buildings; thence westward on Imperial Highway to Hughes Aircraft Company Buildings 350, 366, and adjacent buildings; thence northward on Sepulveda Boulevard to Century Boulevard; thence eastward on Century Boulevard to Hughes Aircraft Company Building 329 and adjacent buildings. Return via reverse of the going route.