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Decision No. 83237

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
Walter J. & Cleola Brooks doing  
business as Carson Travel Agency  
herein apply for certificate of  
public convenience and necessity to  
operate passenger service between  
Carson, California, and the Los  
Angeles International airport.

Application No. 54624  
(Filed January 31, 1974)

Walter Brooks, for himself, applicant.  
Stephen T. Parry, for Southern California  
Rapid Transit District, protestant.  
John deBrauwere, for the Commission staff.

O P I N I O N

Walter J. Brooks and Cleola Brooks (Brooks), a partnership doing business as Carson Travel Agency, request authority pursuant to Section 1032 of the Public Utilities Code for a certificate of public convenience and necessity to operate a passenger stage service between Carson and the Los Angeles International Airport (LAX) and intermediate points.

Southern California Rapid Transit District (RTD) protested the application and requested that a hearing be held. The city of Carson filed a letter in support of the application.

Hearings were held in Los Angeles on May 1 and 2, 1974 before Examiner Bernard A. Peeters and the matter was submitted on May 2, 1974.

Applicants are now operating as a charter-party carrier of passengers under a permit issued February 5, 1974 and also operate a travel service business in Carson. As a result of the needs of their travel service customers, and others, applicants instituted a

scheduled service between their travel service office, Rodeway Inn, at the corner of Artesia and Central Boulevards, and Los Angeles International Airport under an operating authority granted by the city of Carson. Upon being advised that said operations required authority from the Public Utilities Commission of the State of California, this application was filed.

Applicants operate a 14-passenger, air conditioned, Dodge mini-bus between Carson and LAX over Carson Street to Avalon Boulevard; on Avalon Boulevard to Artesia Boulevard on Artesia Boulevard to Rodeway Inn, at the corner of Central Boulevard, and points and places within an industrial area adjacent thereto; thence the reverse route to the San Diego Freeway (I-405); San Diego Freeway to Century Boulevard; and Century Boulevard to LAX, returning via the reverse route. A one-way fare of \$3.00 is charged. Trip time is forty-five minutes, with four schedules daily being offered six days a week. Applicants have one other vehicle, currently licensed, but not now in service. They also have two more vehicles of the Dodge mini-bus type on back order. The acquisition of these vehicles is dependent upon the outcome of this application. The December 31, 1973 balance sheet, attached to the application, shows that applicants have a net worth of \$49,136.13, of which \$18,800 is cash. The current ratio is 68.2 percent and current working capital is \$23,792.

Brooks testified on his own behalf and presented four witnesses and eight exhibits in support of his application. Charter operations are conducted on Sundays and in between the scheduled runs. Brooks estimated that his average weekly revenue from the scheduled operations amounted to \$180 since the first of the year. He estimated his expenses, on the basis of a 36-mile round trip, to be \$14.15 per round trip. Reducing the above figures to a round-trip basis shows that a loss is incurred on each round trip. Charter revenues from January to May 1974 amounted to \$1,240 at a rate of 85 cents per mile. Based upon these figures charter operations

are profitable, however, not profitable enough to offset the scheduled operation losses. Brooks testified that his 1973 gross income amounted to \$170,000 from all sources.

Brooks has a working arrangement with the Rodeway Inn whereby they place his travel service advertising and bus schedules in each of the Inn's rooms. He also has contracted for "Selectacall" service at the Inn (Exhibit 1). This is an electronic billboard that puts a customer in direct telephone contact with his travel agency, without charge, by means of automatic dialing service. The industrial park adjacent to the Inn has numerous businesses that conduct training classes for their employees who are brought in from different parts of the nation. They stay at the Inn during their training period. They arrive at and depart from LAX. It is this traffic to which Brooks' advertising is directed at Rodeway Inn and other states. In addition to this traffic, Brooks has provided service to various business people in Carson, and to Carson's city employees and officials when they have occasion to travel via LAX. The city of Carson is a client of his travel agency. Exhibit 2 consists of a questionnaire form utilized by Brooks in conducting a telephonic survey with respect to his travel agency service. It contains one question with respect to his bus service from Carson to LAX. He testified that as a result of the answers received on this survey, he was convinced that there is a public need for the proposed service. One of the witnesses testified that she had used taxicab service to the airport and found it very expensive and that she believes there is a need for Brooks' service and she intends to use it. Another witness testified that she used the service for an 8:00 a.m. flight and found it good and the \$3.00 fare reasonable. She was picked up at the airport upon her return flight by pre-arrangement. Another witness testified that he had used the bus service on March 12, 1974 for a trip to Columbus, Ohio, and was picked

up at the airport upon his return on March 22, 1974 after he had called in his arrival. Exhibit 6 consists of three letters from Carson businessmen indicating their use of the service, the convenience it offers, and the need for such service in Carson. Exhibit 7 is a copy of United Way, Inc.'s Harbor Area Advisory Council's Needs Committee meeting report on the needs of Carson. With respect to transportation, this report points out that transportation within Carson to shopping centers and stores is almost nonexistent, and that transportation for the elderly and the poor to services and employment outside the community is inadequate.

Brooks pointed out that the service he proposes is a personalized service, including the handling of baggage, designed to complement his travel agency business and to provide convenient, personalized, and inexpensive transportation. It is not his intention to infringe upon RTD's service, but rather to perform a different and personalized service between Carson and LAX, and not a municipal bus operation. He pointed out that the service proposed will tend to conserve energy and reduce congestion by reducing the number of vehicles going to and from LAX.

RTD's witness testified that in his opinion public convenience and necessity do not require express service to the airport. He introduced Exhibits 9 through 15 which consist of a map of RTD's route system and timetables for various routes which could be utilized by transfers to get to LAX. He testified that RTD does not provide local service within Carson nor a direct service to LAX. However, Lines 33 and 37 are interurban lines through Carson which can be used to get to downtown Los Angeles and connect there with Line 51 to LAX. The travel time is one hour and the fare is 35 cents. It is also possible to take Line 33 north to Line 100 on Century Boulevard which goes into LAX, circles World Way, and serves all the airline terminals. Another way to get to LAX would be by using the

Torrance No. 3 line with a transfer to Line 5. The RTD has met with Carson's city officials and discussed the improvement of service. Some of the proposals were dial-a-ride and special fares for the elderly and students. Nothing concrete has resulted from these discussions. RTD also plans to submit a rapid transit plan to the voters in November which would improve the existing service and provide for new lines, one of which could be a direct service to LAX.

The Commission staff limited its participation to cross-examination of the witnesses and a closing statement.

Discussion

Although Brooks mistakenly thought he had proper authority to conduct the proposed service, upon being advised otherwise, he promptly filed this application. The fact that he has been operating a new service and has attracted patronage indicates that there is a need for his service. Although the operation, thus far, has been conducted at a loss, it appears that Brooks has the financial resources to see the operation through its growing period. As indicated by Exhibit 7, the present service within Carson is almost non-existent and direct service to LAX is non-existent, other than by taxicab. There is a potential market that can be expected to make the operation self-sustaining in the not too distant future. RTD's service to LAX is not convenient, requires at least one transfer, and takes one hour or more travel time compared with the forty-five minutes, direct, personalized service proposed by Brooks. RTD admitted it does not provide the same service as Brooks proposes.

RTD also protests the granting of this application on the basis that it would be prevented from instituting, extending, or rerouting service which would compete with applicants' service by reason of Section 30637 of the Public Utilities Code which provides in part:

" . . . The district shall not establish, construct, complete, acquire, operate, extend or reroute (all of the foregoing being hereinafter referred to by the word 'establish' in all forms thereof), directly or indirectly, either itself or by lease or contract with any other person or persons or otherwise, any rapid transit service or system in such manner or form as will or may, either then or at any time in the future, divert, lessen or compete for the patronage or revenues of the existing system of a publicly or privately owned public utility without the consent of the said utility. . . ."

The argument of RTD is not convincing because no evidence was presented by RTD as to how soon it proposes to establish service similar to that proposed by applicant, if at all.

In its closing statement the staff recommended against the granting of the application and suggested that applicant should render an "on call" service as a charter operator, thus obviating the necessity of providing scheduled service which is now being conducted at a loss. The staff offered no solution as to how the operation could be conducted on a charter basis and still charge a per capita fare of \$3.00 per trip, rather than 85 cents per mile. To provide the proposed service on an "on call" charter basis would not meet the public need and would result in a prohibitive charge when only one or a few passengers were

involved. Applicants have been providing a scheduled service which the public is using. We are of the opinion that Brooks should be authorized to continue the service and be given an opportunity to develop it. Schedules can be adjusted, pursuant to timetable filing requirements, according to experience and other operating efficiencies instituted to cut down operating losses during the development period.

Findings

1. Applicants possess a charter-party carrier of passengers permit issued February 5, 1974.

2. The authority sought herein has already been instituted.

3. RTD is not now providing direct service to Los Angeles International Airport as proposed herein.

4. Applicants have the experience, equipment, personnel, and financial resources to institute and maintain the proposed service.

5. Public convenience and necessity require that the application be granted.

6. With reasonable certainty the project involved in this proceeding will not have a significant effect on the environment.

The Commission concludes that the application should be granted as set forth in the ensuing order.

Applicants are 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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Walter J. Brooks and Cleola Brooks, a partnership doing business as Carson Travel Agency, authorizing them to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, for the transportation of passengers 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, applicants 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, applicants shall file a written acceptance of the certificate granted. Applicants are placed on notice that if they accept the certificate they 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, applicants 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) Applicants shall maintain their 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 their 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 twenty days after the date hereof.

Dated at San Francisco, California, this 6<sup>th</sup>  
day of AUGUST, 1974.

Vernon L. Sturgeon  
President  
William J. Quinn  
W. J. Quinn  
W. J. Quinn  
Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

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

Walter J. Brooks and Cleola Brooks, a partnership doing business as Carson Travel Agency, by the certificate of public convenience and necessity granted by the decision noted in the margin is authorized to transport passengers and their baggage between specific points in Los Angeles County, viz., Carson, on the one hand, and Los Angeles International Airport, on the other hand over and along route described herein; subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- (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) Service shall be operated only with vehicles not exceeding 14-passenger seats.

## SECTION 2. ROUTE DESCRIPTIONS.

Route 1. Between Carson and Los Angeles International Airport

Beginning at the corner of Carson and Dolores Streets; thence on Carson Street to Avalon Boulevard; thence on Avalon Boulevard to Artesia Boulevard; thence on Artesia Boulevard to the corner of Central Boulevard, including places within the Kaiser-Aetna and Overton and Moore Industrial Parks lying to the north of Artesia Boulevard between Avalon and Central Boulevards; thence the reverse route to the San Diego Freeway (I-405); thence San Diego Freeway to Century Boulevard; thence Century Boulevard to Los Angeles International Airport, and return via the reverse route to point of beginning.

Issued by California Public Utilities Commission.

Decision No. 83237, Application No. 54624.