

Decision No. 83591

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of AIRPORT TRANSPORTATION
CO., A California corporation, to
request authorization to increase rates
between Monterey Peninsula Airport and
points on the Monterey Peninsula. Also
to request an extension of routes.

Application No. 54811
(Filed April 17, 1974)

O P I N I O N

Airport Transportation Co. is a corporation conducting passenger stage operations pursuant to a certificate of public convenience and necessity granted in Decision No. 79874 dated April 4, 1972 in Application No. 52866. It is authorized to transport passengers and their baggage arriving or departing on airplanes which are operative to or from Monterey Peninsula Municipal Airport, on the one hand, and Carmel, Del Rey Oaks, Monterey, New Monterey, Pacific Grove, Presidio of Monterey, Seaside, Fort Ord, Salinas, and points intermediate thereto, on the other hand. It here requests authority to increase fares to and from all points, except Fort Ord and Salinas, and to extend its routes to include Del Monte Forest, Quail Lodge, Highlands Inn, and Esalen Institute. Notice of the filing of the application was given and copies of the application were served in accordance with the Commission's procedural rules. There are no protests.

Applicant conducts what is ordinarily called an airporter transport service to and from the Monterey Peninsula Municipal Airport. It asserts that its experience has shown a demand for service to Del Monte Forest, Quail Lodge, Highlands Inn, and Esalen Institute. It conducts charter-party carrier operations to these points.

Except as to Fort Ord and Salinas, which fares are not involved herein, the present and proposed fares are set forth below:

<u>Between Monterey Airport and:</u>	<u>Present Fare</u>	<u>Proposed Fare</u>
Carmel	\$2.00	\$ 2.25
Del Rey Oaks	1.75	2.00
Monterey	1.25	1.50
New Monterey	1.75	2.00
Pacific Grove	2.00	2.25
Presidio of Monterey	1.75	2.00
Seaside	1.75	2.00
Del Monte Forest, Quail Lodge, Highlands Inn		
1 Passenger	None	6.00
Each 2 passengers or more	None	3.00
Esalen Institute		
1 Passenger	None	30.00
2 Passenger, each		15.00
3 Passenger, each		12.00
4 Passenger, each		10.50
5 Passenger, each		9.60
6 or more passengers, each		9.00

During the calendar year 1973 applicant received \$136,943 in passenger revenues. It incurred operating expenses of \$143,961 for an operating loss of \$7,018 from its airporter transport service. Applicant estimates that the increase in fares will provide additional gross revenue of \$23,280. At 1973 expense levels projected revenues under the increased fares would provide an operating ratio of 89.6 percent before income taxes on operations over the present routes. We take official notice that fuel prices have increased substantially over the average 1973 prices.

Applicant did not project operating results under the proposed fares for operations including the proposed route extensions. The average distances between the Monterey Airport and the points indicated are: Del Monte Forest, 12 miles; Quail Lodge, 12 miles; Highlands Inn, 11 miles; and Esalen Institute, 56 miles.

We find that the earnings from operations under the proposed fares will not be excessive and that the increases have been shown to be justified. We further find that public convenience and necessity require the passenger stage operations by applicant over the proposed route extensions.

From the application and from applicant's tariff, it is evident that it performs the airporter service between the terminal at the airport and the homes or the hotels of the individual passengers, and that the territory served, in essence, blankets the entire Monterey Peninsula and some of the surrounding area. Applicant's certificate does not prescribe any fixed route in conducting operations. In this application it requests authority to operate between the airport and the areas in the proposed route extensions "via the most appropriate and convenient routes"; in other words, between the airport and the destinations of the passengers aboard the bus via the most convenient route between all such destinations. The fact that the certificate authorizes service to intermediate points, and applicant's tariff is intermediate in application with respect to points not specified, poses a problem of determining the fare that is applicable to unspecified points. Applicant should be directed to describe in its tariff by metes and bounds the area to which each of its fares applies, and for the convenience of the public and the Commission include in its tariff a map depicting the boundaries of the areas.

We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

We conclude that the application should be granted and that applicant should be required to amend its tariff to delineate the boundaries at which its fares change as described in the foregoing opinion. A public hearing is not necessary.

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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Airport Transportation Co., a corporation, authorizing it to extend its present operations as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, so as to transport passengers and their baggage arriving on or departing from airplanes which are operated to or from Monterey Peninsula Municipal Airport, on the one hand, and Del Monte Forest, Quail Lodge, Highlands Inn, Esalen Institute, and intermediate points, on the other hand.

2. Appendix A of Decision No. 79874 in Application No. 52886 is amended by incorporating therein First Revised Page 2 in revision of Original Page 2, which revised page is attached hereto and made a part hereof.

3. 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 it accepts the certificate it will be required, among other things, to comply with the safety rules administered

by 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 five days after the effective date of this order on not less than five 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 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.

4. Applicant is authorized to establish the increased fares proposed in Application No. 54811. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

5. The authority shall expire unless exercised within ninety days after the effective date of this order.

6. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall

be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

7. Concurrently with the filing of tariff publications authorized in paragraphs 3(c) and 4 of this order, Airport Transportation Co. shall establish in its tariff a description and a delineation by metes and bounds of each area to which a fare applies and shall include a map depicting the boundaries of the fare zones so described.

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

Dated at San Francisco, California, this 16th
day of OCTOBER, 1974.

William L. Spurgeon
President
William Spurgeon, Jr.

[Signature]

[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

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Appendix A

AIRPORT TRANSPORTATION CO.
(a corporation)

First Revised Page 2
Cancels
Original Page 2

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

Airport Transportation Co., a corporation, is authorized to transport passengers and their baggage arriving or departing on airplanes which are operated to or from the Monterey Peninsula Airport over and along the routes hereinafter described, subject, however, to the authority of this Commission to change or modify said routes 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) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (c) Applicant shall transport only passengers destined to or originating at the Monterey Peninsula Airport.

SECTION 2. ROUTE DESCRIPTION.

Route

*Between Monterey Peninsula Airport, on the one hand, and Carmel, Monterey, New Monterey, Pacific Grove, Presidio of Monterey, Seaside, Fort Ord, Salinas, Del Monte Forest, Quail Lodge, Highlands Inn, Esalen Institute, and points intermediate thereto, on the other hand.

Issued by California Public Utilities Commission.

*Amended by Decision No. 83591, Application No. 54811.