

Decision No. 85023

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of ORANGE COAST SIGHTSEEING
COMPANY, a corporation, for a
Certificate of Public Convenience
and Necessity to establish a
South Orange County Service Area
and to institute tours originating
therefrom to points in Orange
County and Los Angeles County.

Application No. 55595
(Filed March 28, 1975)

In the Matter of the Application
of THE TOWN TOUR(FUNBUS) CO. INC.
for Certificate of Public Conve-
nience and Necessity to operate
motor vehicle passenger stage
service (described as The Funbus
South Coast Express) between the
Disneyland/Anaheim area and the
Newport/South Coast area, County of
Orange, State of California.

Application No. 55625
(Filed April 22, 1975)

In the Matter of the Application
of THE GRAY LINE TOURS COMPANY for
a Certificate of Public Convenience
and Necessity to extend operations
as a passenger-stage corporation.

Application No. 55679
(Filed May 5, 1975)

James H. Lyons, Attorney at Law, for Orange Coast
Sightseeing Company and Airport Service Inc.;
F. K. Friedemann and Dennis V. Menke, Attorneys
at Law, for The Town Tour (Funbus) Co., Inc.;
and David P. Christianson, Attorney at Law, for
The Gray Line Tours Company; applicants.
Kennard R. Smart, Attorney at Law, for Orange County
Transit District, interested party.
John deBrauwere, for the Commission staff.

O P I N I O N

Applicants seek the following authority:

1. Orange Coast Sightseeing Company (Orange Coast), a wholly-owned subsidiary of Airport Service, Inc. (Airport) seeks to extend its sightseeing service by establishing a new South Orange County service area that would extend from its present Anaheim-Buena Park service area, on the north, to approximately Newport Beach, on the south. From this area passengers would be transported to such points of interest as Lion Country Safari, Marineland of the Pacific, NBC, Universal City Studios, and the Queen Mary.
2. Valen Parking Management, Inc., doing business as The Town Tour (Funbus) Co., (Funbus) which is presently providing service as a passenger stage corporation between points in the Anaheim area, proposes to operate a new route between Anaheim and Newport Beach.
3. The Gray Line Tours Company (Gray Line) presently providing an extensive sightseeing service, proposes to establish the Newport-Balboa Territory as a new nonexclusive pickup territory.

Copies of the applications were served upon various city and county departments within the affected areas. With the exception of applicants and Airport the only other appearance was made by Orange County Transit District, which appeared as an interested party and introduced written consents by the applicants to the establishment by the District of any service, which may at any time divert, lessen, or compete for the patronage or revenues of the service applied for by the applicants.

A public hearing was held before Examiner Daly at Anaheim and was submitted upon concurrent briefs, which were filed on July 30, 1975.

Orange Coast

Orange Coast operates 59 air-conditioned buses with capacities ranging from 45 to 53 passengers. As of December 31, 1974, it indicated a net worth in the amount of \$210,913. Orange Coast proposes to operate six tours from the new South Orange County service area. The tours would be operated daily, with certain exceptions, and on the average would be approximately eight hours in duration. The proposed fares range from \$8.50 for an adult (over 12 years), and \$4.75 for a child (5 to 11 years) to \$16.65 for an adult and \$8.75 for a child. Two of the proposed tours provide for junior fares for persons between the ages of 12 and 17 years.

Funbus

By Decision No. 80616 dated October 17, 1972 in Application No. 52932, Funbus was authorized to operate as a passenger stage corporation over various routes in the Anaheim - Buena Park area. It operates 17 buses with capacities ranging from 39 to 51 passengers and as of May 31, 1975, indicated a net worth in the amount of \$86,735. The proposed one-way fare is \$1.50 with a fare of 75 cents between intermediate points. There would be no charge for children under four years of age. The proposed service would be provided daily with two round trips in the morning and two round trips in the evening. Additional schedules would be provided as the demand requires.

The proposed service is not sightseeing in nature. It is designed to transport tourists and those attending conventions in the Newport Beach area between hotels and motels along the route as well as to and from shopping centers and points of interest.

Gray Line

By Decision No. 84749 dated August 5, 1975 in Application No. 54366, Gray Line was granted an in lieu certificate restating its sightseeing authorities. Gray Line proposes to add the Newport-Balboa Territory, as set forth in the application, as a new nonexclusive pickup territory for the purpose of providing service to tourists

staying at hotels and motels within the area in connection with presently authorized tours. Direct service would be provided on bus load tours originating within the territory.

Gray Line operates 71 buses with capacities ranging from 38 to 53 passengers. As of February 28, 1975 it indicated a net worth in the amount of \$1,802,646.

The proposed service would be provided daily depending upon passenger patronage. The proposed fares would be identical to those presently charged by Gray Line for tours of comparable duration.

Public Witness Testimony

Eleven public witnesses testified on behalf of applicants. Four appeared on behalf of Orange Coast, four appeared on behalf of Funbus, and three appeared on behalf of Gray Line. It was stipulated that, if called, three additional witnesses on behalf of Orange Coast and two additional witnesses on behalf of Funbus would have testified substantially the same on direct and cross-examination as the other witnesses, who testified on behalf of each of the respective applicants.

The witnesses represented hotels and motels in the Newport Beach area. Several were travel agents who sell sightseeing tour tickets. One witness owns and operates a marine recreational company in Balboa.

With few exceptions they expressed a need for a sightseeing service from points in the south Orange County area, as well as a need for a regular passenger stage service to and from hotels, motels, shopping centers, and points of interest between Newport Beach and Anaheim. They testified that the proposed area, particularly Newport Beach, has experienced a phenomenal growth and development as a vacation and recreational center; that numerous new hotels and motels have been recently constructed, many of which are used for convention purposes; and that guests of these establishments have made numerous requests for not only sightseeing tours, but also for a bus

service which will permit guests to travel to particular points of interest without the need of purchasing a package tour, and which will permit those guests attending conventions to travel between various hotels and motels.

Airport protested the application of Funbus to the extent that its proposed route would operate between the Orange County Airport and Anaheim. Airport is presently engaged in providing a certificated service for the transportation of airline passengers between Anaheim and the airport.

The record clearly demonstrates, however, that the closest point that the proposed route would come to the airport entrance would be approximately a half mile. Funbus seeks no authority to transport baggage and its president testified that the proposed service is neither intended nor designed to transport airline passengers to and from the airport.

Findings

1. Orange Coast and Gray Line are presently providing certificated sightseeing services. Funbus is presently engaged in providing a passenger stage service in the Anaheim area.

2. The south Orange County area, particularly in the vicinity of Newport Beach, has recently experienced an extensive growth and development as a vacation and recreational area, which has resulted in the construction of many new hotels and motels.

3. Guests of these establishments have made numerous requests for not only sightseeing tours, but also for a bus service to nearby points of interest, shopping centers, and locally between hotels and motels within the area.

4. The proposed service of Funbus would not be competitive with the present service of Airport to and from the Orange County Airport.

5. The proposed service of Funbus would not be competitive with the proposed services of Orange Coast and Gray Line, which are packaged, narrated tours covering durations of long periods.

6. Although the proposed pickup areas of Orange Coast and Gray Line overlap in the region of Newport Beach the tours provided by each of the applicants are not identical.

7. Public convenience and necessity require the granting of the applications as requested.

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

9. Funbus filed its application in the new corporate name of "The Town Tour (Funbus) Co. Inc.". An appropriate filing must be made with the Commission requesting that the certificate be amended to reflect the change in name.

The Commission concludes that the applications should be granted.

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 holders 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. Appendix A of Decision No. 69671 is hereby amended by adding Original Pages 3a and 6 attached hereto and made a part hereof.


2. Appendix A of Decision No. 84749 is hereby amended by substituting First Revised Pages 3, 9, and 12 attached hereto in place of Original Pages 3, 9, and 12.

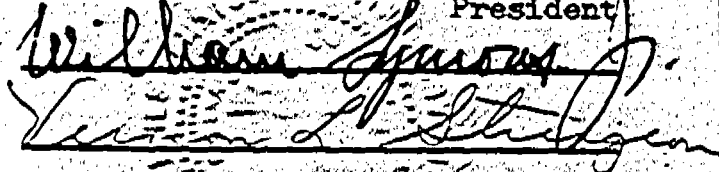
3. Appendix A of Decision No. 80616 is hereby amended by substituting First Revised Page 2 attached hereto in place of Original Page 2 and by adding Original Page 8 attached hereto.

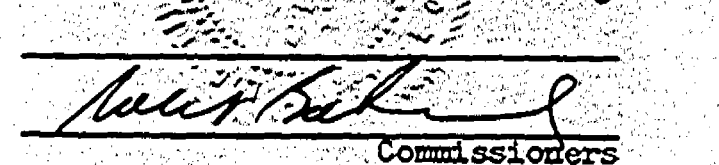
4. Within sixty days after the effective date hereof and on not less than five days' notice to the Commission and the public applicants shall amend their tariffs and timetables to reflect the authority herein granted.

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

Dated at San Francisco, California, this 21st
day of OCTOBER, 1975.



President


Commissioners


Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.

SOUTH ORANGE COUNTY SERVICE AREA

That territory bounded by a line described as follows:

Beginning at the junction of the Garden Grove Freeway (CA Hwy 22) and Harbor Boulevard, thence south along Harbor Boulevard, south along Newport Boulevard and Newport Freeway, east along Pacific Coast Highway, north on MacArthur Boulevard and proposed Corona Del Mar Freeway to Jamboree Road, northeast along Jamboree Road, east on Interstate 405, north on MacArthur Boulevard, northeast on Red Hill Avenue, east on Warner Avenue to the Newport Freeway (CA Hwy 55), north on the Newport Freeway to Fourth Street in Santa Ana, west on Fourth Street, northwest on the Santa Ana Freeway (Interstate 5), west on the Garden Grove Freeway (CA Hwy 22) to the point of beginning.

Issued by California Public Utilities Commission.

Added by Decision No. 85023, Application No. 55595.

SECTION 2. ROUTE DESCRIPTIONS. (Continued)

- TOUR NO. 6 - From the South Orange County Service Area by the most direct and appropriate route to Disneyland, and return.
- TOUR NO. 7 - From the South Orange County Service Area by the most direct and appropriate route to the Movieland Wax Museum, 7711 Beach Boulevard, Buena Park; then by the most direct and appropriate route to Knott's Berry Farm, 8400 Beach Boulevard, Buena Park, and return.
- TOUR NO. 8 - From the South Orange County Service Area by the most direct and appropriate route to the Anaheim-Buena Park Service Area, then following Tour No. 2 as presently established by Decision No. 72357 in Application No. 48808 to Marineland, and return.
- TOUR NO. 9 - From the South Orange County Service Area by the most direct and appropriate route to the Anaheim-Buena Park Service Area, then following Tour No. 4 as presently established by Decision No. 79602 in Application No. 52942 to the Queen Mary, and return.
- TOUR NO. 10- From the South Orange County Service Area by the most direct and appropriate route to the Anaheim-Buena Park Service Area, then following Tour No. 3 as presently established by Decision No. 76527 in Application No. 49730 to NBC Studios and Universal City Studios, and return.
- TOUR NO. 11- From the South Orange County Service Area by the most direct and appropriate route to Lion Country Safari located at the intersection of the San Diego Freeway and Laguna Freeway, and return.

Issued by California Public Utilities Commission.

Added by Decision No. 85023, Application No. 55595.

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Issued by California Public Utilities Commission.

*Added by Decision No. 85023, Application No. 55679.

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Appendix A
(Dec. 84749)

THE GRAY LINE TOURS COMPANY
(a corporation)

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Item
No.

SECTION II, Nonexclusive Pickup Territories

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The following Nonexclusive Pickup Territories, as described herein, shall be used for tours specified in Section III of this certificate.

1. Los Angeles (includes Hollywood) Territory
2. Beverly Hills Territory
3. Glendale Territory
4. Long Beach Territory
5. Pasadena Territory
6. Santa Monica Territory
7. Sunset Strip Area of Los Angeles County
8. Arcadia Territory
9. Burbank Territory
10. Culver City Territory
11. West Covina Territory
12. Anaheim-Buena Park Territory
13. Hermosa Beach Territory
14. Manhattan Beach Territory
15. Redondo Beach Territory
16. Marina del Rey Section of Los Angeles County
17. Inglewood Territory
18. Hawthorne Territory
19. El Segundo Territory
20. Riverside Territory
21. Palm Springs Territory
22. Santa Barbara Territory
23. San Diego Territory
24. Coronado Territory
- *25. Newport-Balboa Territory

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Los Angeles Area Territory: That portion of the City of Los Angeles, which is described as the territory delineated and bounded by the city limits of the City of Los Angeles except the areas west of California State Highway No. 27; north of California Highway No. 118 between California Highway No. 27 and Zelzah Street; west of Zelzah Street between California Highway No. 118 and Rinaldi Street, north of Rinaldi Street between Zelzah Street and U. S. Highway No. 405; west of U. S. Highway No. 405 between Rinaldi Street and Foothill Boulevard, north of Foothill Boulevard and except that portion of the City of Los Angeles south of Imperial Highway.

Issued by California Public Utilities Commission.

*Added by Decision No. 85023, Application No. 55679.

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Appendix A
(Dec. 84749)

THE GRAY LINE TOURS COMPANY
(a corporation)

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Item
No.

SECTION II, Nonexclusive Pickup Territories—Contd.

- 200 Santa Barbara Territory:* Santa Barbara, which is described as the territory delineated and bounded by the city limits of the City of Santa Barbara and the following specific points in Montecito, California: Santa Barbara Biltmore Hotel, Miramar Hotel-Motel, and San Ysidro Ranch.
- 205 San Diego Territory:* San Diego, which is described as the territory delineated and bounded by the city limits of the City of San Diego.
- 207 Coronado Territory:* Coronado, which is described as the territory delineated and bounded by the city limits of the City of Coronado.
- #208 Newport-Balboa Territory: The Newport-Balboa Territory is that portion of the County of Orange commencing at the intersection of the Pacific Ocean and the Santa Ana River, thence northeast along the Santa Ana River to Victoria Street, thence easterly along Victoria Street to the Newport Freeway, thence northeasterly along the Newport Freeway to Bristol Street, thence southeasterly along Bristol Street to MacArthur Boulevard, thence southerly along MacArthur Boulevard to the city limits of Corona Del Mar to the Pacific Ocean, thence northwesterly along the shoreline of the Pacific Ocean to the point of beginning.
- 210 *Note: Operations from Riverside, Palm Springs, Santa Barbara, San Diego, and Coronado Territories.

The authority to pick up and discharge passengers in the Riverside, Palm Springs, Santa Barbara, San Diego, and Coronado Territories (Items Nos. 190, 195, 200, 205, and 207) shall lapse and terminate five years from the effective date of this certificate as to any of said pickup territories from which The Gray Line Tours Company is not then operating regularly scheduled pickup service for one or more of the tours set forth in Section III hereof.

Issued by California Public Utilities Commission.

#Added by Decision No. 85023, Application No. 55679.

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Appendix A
(Dec. 80616)

VALEN PARKING MANAGEMENT, INC.
dba
THE TOWN TOUR (FUN BUS) CO.

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Issued by California Public Utilities Commission.

*Added by Decision No. 85023, Application No. 55625.

SECTION 2. ROUTE DESCRIPTIONS

Route No. 5. Anaheim - Newport Beach

Commencing at the Balboa Bay Club in Balboa, thence via Pacific Coast Highway, Jamboree Road, the Newporter Inn Hotel (Newport Dunes Beach); thence via Jamboree Road, Santa Barbara Avenue, Newport Center Drive to the Marriott Hotel; thence via Newport Center Drive to the entrance of the Fashion Island Shopping Center; thence via Newport Center Drive, Santa Rosa Avenue, San Joaquin Hills Road, to Rogers Gardens; thence via MacArthur Drive, Ford Road, MacArthur Boulevard, Birch to the Sheraton Hotel; thence via Birch, Dove Street, Campus Drive to Movieland of the Air Museum; thence via Campus Drive, Bristol Street, Redhill Boulevard, Baker Avenue to Briggs Cunningham Automotive Museum; thence via Baker Avenue, Bristol Street to the Holiday Inn; thence via Anton Boulevard to the South Coast Plaza Hotel; thence via Anton Boulevard, to the South Coast Plaza Shopping Center; thence via Bristol Street, San Diego Freeway, Interstate 405, Newport Freeway, Santa Ana Freeway, Interstate 5, Santa Ana Freeway, Interstate 5, Harbor Boulevard off-ramp connecting with Routes 1 and 2 for Disneyland, and Anaheim Convention Center.

Alternate Route

Originates at Disneyland, thence via authorized Routes 1 and 2, thence via Katella Avenue to Interstate 5 and reverse of the above route.

Issued by California Public Utilities Commission.

Added by Decision No. 85023, Application No. 55625.