ALJ/jn

Decision 82 05 051 MAY 1 7 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:) J. R. (CISCO) ZAVALETA, dba TRI-) TERMINAL LIMOUSINE SERVICE for a Certificate of Public) Convenience and Necessity to) Operate as a Passenger Stage) Corporation, pursuant to the) provisions of Section 1031, et. seq.) of the California Public Utilities) Code.

Application 58877 (Filed May 21, 1979; amended November 7, 1979 and April 2, 1981)

- Carl T. Windell and Maurice E. Hamilton, Attorneys at Law, for J. R. (Cisco) Zavaleta, applicant.
- Richard M. Hannon, Attorney at Law, for the Grayline, Inc.; Handler, Baker, Greene & Taylor, by <u>Walter H. Walker III</u> and Raymond A. Greene, Jr., Attorneys at Law, for SFO Airporters, Inc.; Clapp & Custer, by <u>Daniel J. Custer</u>, Attorney at Law, for Lorrie's Travel & Tours, Inc. and O'Connor Limousine Service, Inc.; <u>Jack Piotrkowski</u>, for Associated Limousine; <u>Ben Ishizaki</u>, for Ishi Limousine, Inc.; <u>Horace G. Campbell</u>, for Airport Limousine Service of Sunnyvale, Inc.; <u>William Lazar</u>, for Luxor Cab and Industry; and <u>James E. Steele</u>, for Yellow Cab Coop. Inc.: protestants.

Christine E. Gondak, Attorney at Law, for City and County of San Francisco, protestant and intervenor.

R. E. Douglas, for the Commission staff.

$\underline{O} \ \underline{P} \ \underline{I} \ \underline{N} \ \underline{I} \ \underline{O} \ \underline{N}$

J. R. (Cisco) Zavaleta, an individual doing business as Tri-Terminal Limousine Service, seeks a certificate of public convenience and necessity to operate as a passenger stage corporation between all points in San Francisco and the San Francisco International Airport (SFIA), between San Francisco and central points in Sausalito and/or Muir Woods National Monument (Muir Woods), and between SFIA and Oakland International Airport (OIA) and San Jose Municipal Airport (SJMA). Applicant states that he presently provides limousine service under charter-party permit No. TCP-263P on an on-call 24-hour per day basis primarily in the Counties of Alameda, San Mateo, San Francisco, Santa Clara, and Marin.

By the April 2, 1981 amendment to his application, applicant requests authority to provide the following three passenger carrier services:

A. San Francisco Airport Service.

Applicant proposes to provide on-call, per capita transportation between all points in San Francisco to and from SFIA using eight-passenger limousines with 14-passenger vans as backup vehicles. Service will be provided on a daily basis between the hours of 6 a.m. to 10 p.m. with a minimum one hour advance notice requirement. The proposed minimum service charge for one passenger is \$15 for oneway service with a \$10 per capita charge for two or more passengers. Children under 12 are charged half-fare unless riding single.

B. Sausalito and Muir Woods Express Service.

Applicant proposes to provide on-call transportation between the Ferry Building and Fisherman's Wharf area of San Francisco to and from Sausalito and/or Muir Woods using eightpassenger limousines with a 14-passenger van as backup vehicle. Service will be provided from 8 a.m. to 8 p.m. daily during the months of April through September with a minimum one hour advance notice requirement. The proposed one-way fare

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between San Francisco and Sausalito for one through five passengers is \$25 with an additional charge of \$5.00 for each passenger over five. For the Muir Woods service the proposed fare for one through five passengers is \$50 with an additional charge of \$10 for each passenger in excess of five. Children under 12 are charged onehalf the adult fare unless riding single.

C. Inter-Airport Nonstop Service.

Applicant proposes to provide on-call nonstop service between SFIA, OIA, and SJMA using eightpassenger limousines with a 14-passenger van as backup. Service will be provided between 6 a.m. and 10 p.m. daily with a minimum advance notice requirement of two hours. The proposed fare for one to five passengers is \$50 with an additional fare of \$10 for each passenger in excess of five. Children under 12 are charged one-half of the adult fare unless riding alone.

Lorrie's Travel and Tours, Inc. (Lorrie's), SFO Airporter, Inc. (Airporter), and Dolphin Tours (Dolphin) filed timely protests to the application. On September 11, 1980 Dolphin withdrew its protest in view of the amendment made to the application on November 7, 1979. Associated Limousine, Ishi Limousine, Inc., Airport Limousine Service of Sunnyvale, Inc., Luxor Cab and Industry, and Yellow Cab Coop, Inc., appeared as protestants at the August 27, 1979 hearing but did not actively participate. Hearings were held August 27, 1979, September 30, 1980, and August 17, and 18, 1981, before Administrative Law Judge K. Tomita and the matter was submitted subject to the filing of transcripts and concurrent briefs, which have been received. The widely separated hearing days were necessitated by applicant's failure to provide certain data requested by certain parties and also due to the hospitalization of applicant in late 1980.

On May 6, 1982 applicant filed a Petition for Temporary Authority to operate as a passenger stage corporation. The petition is moot since the authority requested is being granted by this decision.

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At the August 17, 1981 hearings, applicant testified that he had four limousines available to provide the proposed service, two owned and two being acquired on a lease-purchase arrangement. Applicant further testified that he would be able to obtain additional limousines and/or vans if the demand for service should require more vehicles. Applicant also stated that he has made arrangements with other limousine operators to provide service under his certificate, when granted, if he is unable to provide service with his own vehicles.

Exhibit C to the application is a financial statement of applicant as of March 1, 1979. The financial statement shows total assets of \$117,150, total liabilities of \$37,200 and net worth of \$79,950. Exhibit 3 in this proceeding is a financial statement of applicant as of July 30, 1981 and a part of the renewal application form for a charter-party carrier of passengers certificate. This financial statement shows total assets of \$206,000, total liabilities of \$77,000, and net worth of \$129,000.

Two witnesses testified on applicant's behalf. Mr. Trad, a cab driver, limousine driver, and mini-bus driver over the past 18 years and an occasional driver as well as a future employee for applicant should the application be granted, testified that the proposed service would be the type of service people inquire about. The second witness, also a parttime driver for applicant and a former doorman and bellman at the Hyatt Regency Hotel in San Francisco testified that in his opinion the type of service proposed by applicant would be responsive to the need for good service at low rates to the airport. In addition, applicant submitted form letters signed by representatives of 11 airlines supporting the application. <u>Airporter's Position</u>

Airporter argues that applicant has failed to demonstrate that he has the financial and operational fitness to conduct a certificated passenger bus operation. It further argues that applicant has no idea of the cost of operating the proposed service or the reasonableness of the proposed fares.

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Counsel for Airporter elicited testimony from applicant that he has operated at a loss in 1979, 1980, and 1981 as a charterparty carrier and that the increase in net worth shown in his July 30, 1981 financial statement over the March 1, 1979 financial statement attached to the application was due to the appreciation in value of applicant's home in San Bruno and two lots owned in California City. We note that the passenger charter-party carrier renewal form requires property to be shown at book cost and not at market value as reported by applicant on his renewal form (Exhibit 3 is part of the renewal form).

Phocess 7+2

Although Airporter believes that there is nothing in this record to support a required finding that applicant is fit and qualified to operate as a certificated passenger stage operator, it offered additional argument relating to the provisions of Public Utilities (PU) Code § 1032. Airporter contends that there is no evidence in this proceeding to indicate that the services of existing operators are not adequate.

Airporter presented witness Gordon Esposto to testify on the service currently being offered between downtown San Francisco and the airports. The types of service offered range from taxi cabs, buses, and mini-vans to luxury limousines. In addition to service provided by authorized operators there are also unauthorized vans and limousines providing service to and from the airports. To compound the problem, Esposto testified that the number of airline passengers. declined in 1980 and was projected to decline further in 1981. The witness stated that the certification of additional carriers on this route would result in a diversion of traffic from existing carriers. and not in an increase in the number of passengers using public transportation. This diffusion of traffic results in a diversion of revenues from existing carriers to newly franchised carriers and thereby compounds the problems of existing carriers like Airporter whose last profitable year was in 1976. Witness Esposto further testified that Airporter has had to increase its fare from a \$1.40 in 1976 to the \$4.00 fare currently charged, principally due to

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diversion in passengers as well as the decline in total airline passengers. The witness further testified that this Commission has indicated that, given a choice of curtailing service or increasing fares, Airporter should continue to ask for fare increases.

Witness Esposto also sponsored Exhibit 6 which contains various statistics showing the decline in traffic experienced by Airporter for service to and from San Francisco and ~SFIA, the decline in airline passenger traffic at SFIA between January 1979 through March 1981, and the percentage of bus passengers carried or estimated to be carried by Airporter, Lorrie's, San Mateo County Transit District (SamTrans) and Bankers Limousine Service between 1977 and 1981. The witness concluded that competition is so severe that Airporter as well as its competitors have operated at a loss in recent years due to the ever-continuing diminution in available traffic. He further stated that the continuing diversion of traffic away from Airporter would not only jeopardize Airporter's substantial investment in vehicles as well as in its downtown terminal but would be detrimental to ratepayers since it would force existing carriers to seek further increases in rates. Lorrie's position

Lorrie's also took a position similar to Airporter that (1) there is no public convenience or necessity to be served by a grant of the authority requested since existing carriers are meeting the needs of the traveling public; (2) Lorrie's and other currently certified carriers will continue to suffer economic harm if the authority is granted, and this harm will unquestionably be passed on to the traveling public in the form of higher prices; and (3) the proposed service is unnecessary, and unworkable, particularly in light of applicant's failure to demonstrate the requisite financial fitness to operate as a passenger stage corporation.

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Lorrie's presented two witnesses. The operations manager testified to the 14- to 20-passenger vans Lorrie's had available to provide its on-call service from the northeastern section of San Francisco to SFIA and also to the number of empty seats it had available to the public. Lorrie's general manager testified to its inability to operate at a profit since 1976, the problems associated with picking up passengers at offices or residences as opposed to hotels, and also the need to have three passengers at \$15 per person if a limousine is to be economically feasible. Discussion

San Francisco-SFIA Service

Applicant has testified that he will provide on-call limousine service to SFIA with one hour advance notice even if there is only one customer interested in going to the airport for a minimum fare of \$15. If he is able to arrange to carry more than one customer he would charge each passenger \$10 for the transportation to or from the airport. Should a customer insist that no other customer be picked up, such customer will be quoted the charter rate of \$40. While applicant admits he would not be able to economically provide airport service with only one or two passengers he believes he will most likely be carrying three, four, or five passengers, and collect \$30, \$40, or \$50 in fares and that eventually he would have a similar number of passengers riding his limousine on their return trip.

Applicant's proposed luxury limousine service to and from San Francisco and SFIA would appear to be an attractive proposal for customers seeking lower priced luxury service. We believe a luxury limousine service from any point in San Francisco to SFIA is novel and may, in fact, generate additional traffic to the airport by offering another attractive alternative to the use of private automobiles and existing carriers.

Currently we have Airporter providing a scheduled bus service at \$4 per passenger, Lorrie's providing an on-call, 14- to 20passenger van service at \$6.50 per passenger between the northeast

corner of San Francisco to and from SFIA, Associated Limousine providing a luxury limousine service at a fare of \$6.00 subject to a minimum of \$18.00 per one-way vehicle run. In addition, SamTrans, a publicly subsidized carrier provides service between San Francisco and SFIA at an 80-cent fare and there is also taxicab service and charter-party carriers providing service between the two points. These existing carriers, including those not subject to this Commission's jurisdiction, offer a gamut of services between San Francisco to SFIA ranging from basic transportation to luxury transportation, frequent regularly scheduled service to on-call service, low fares to exclusive charter service at premium prices. and large buses to luxury limousines and taxi cabs. Airporter and Lorrie's both strongly opposed the certification of an additional carrier on this route especially in view of the decline in airline passengers and their inability to operate at a profit at least since 1976.

Although PU Code § 1032 states "The commission may, after hearing, issue a certificate to operate in a territory already served by a certificate holder under this part only when the existing passenger stage corporation or corporations serving such territory will not provide such service to the satisfaction of the commission", we have stated in D.91279, A.58457, American Buslines, that we do not consider monopoly passenger stage service adequate service to the public and that we would not apply § 1032 as a bar to deprive the public of the most attractive and agreeable bus service that may potentially exist for its benefit. We further stated in D.91279, "there may arise occasions when § 1032 would be determinative in denying an application for operating authority such as, for example, when a traffic market is so obviously saturated with carriers that more competiton would clearly not lead to better service." The question in this proceeding is whether, in view of the wide range of carriers currently providing service in the San Francisco to SFIA service, such obvious saturation has now been reached. We believe the answer is negative, especially since luxury, low price, limousine

service from any point in San Francisco to SFIA and return provides a new level of service not yet provided by any of our regulated carriers. We believe the proposed service is responsive to our language on page 14 of D.91279 when we stated:

> "In these times of acute and prolonged energy shortage it is essential that Californians be exposed to the greatest variety of innovative surface passenger transportation modes and operations. Passenger stage corporations will stand a better chance of rising to this challenge, and luring the public out of the private automobile, if they have a clear incentive to innovate and provide the best possible service."

Inter-Airport Service

Airporter provides twice a day scheduled service between SFIA and SJMA and service between OIA and SFIA 6 times daily. In addition Golden State Limousine Service is authorized to provide service between the three airports, and Airport Limousine Service of Sunnyvale and Airport Connection are also authorized by D.92196 to provide service between SFIA and SJMA with stops at intermediate points. Applicant states that he will provide more frequent service between the airports than Airporter since he believes that there will be frequent calls for his limousine service between airports (applicant proposes on-call service).

We are convinced that there is a need for more competition on this route segment and that such competition will benefit the public by providing more frequent and varied service between the airports.

Fisherman's Wharf to Muir Woods Service

Applicant's proposed on-call service to Sausalito and Muir Woods from the Fisherman's Wharf area of San Francisco during the months of April through September is not presently served by any certificated passenger stage corporation except as a sightseeing tour operation. There is, however, summer service to Muir Woods provided by Golden Gate Transit as well as all-year service between San Francisco and Sausalito both by ferry and bus. There was no strong opposition to applicant's request. Although low-cost public transit service to Muir Woods is available in the summer season, and to Sausalito throughout the year, as well as luxury limousine service on ' a chartered basis throughout the year for anyone requiring such service, we believe that there is room for applicant's proposed luxury per capita service on this route. <u>Fare Structures</u>

Applicants proposed fare of \$15 for one passenger between San Francisco and SFIA and \$10 each for two or more passengers as well as the \$50 fare for one to five passengers for its inter-airport service and San Francisco to Muir Woods service and a \$25 fare for one to five passenger for its San Francisco to Sausalito service is more akin to charter fare and not per capita common carrier service. In authorizing the certificate of public convenience and necessity for the route segments requested, we are not authorizing the tariff schedules filed with the application. Before service may be commenced we will require applicant to file appropriate tariffs with appropriate per capita charges. If applicant does not desire to provide service for one passenger at the per capita rate he may specify a minimum number of passengers before service will be rendered.

Findings of Fact

1. Applicant is a charter-party carrier (permit TCP-263P) providing on-call 24-hour per day service principally in the Counties of Alameda, San Mateo, San Francisco, Santa Clara, and Marin.

2. Applicant possesses the ability to perform the proposed service.

3. Applicant's proposed on-call luxury limousine, on-call service to and from any point in San Francisco to SFIA is significantly different from service provided by existing carriers.

4. Although there are many carriers providing service in the San Francisco to SFIA route segment, none provide a home to airport service in luxury eight-passenger limousines at per capita charges.

5. The addition of another regulated carrier in the interairport service will benefit the public by providing more frequent service.

6. There is no direct common carrier service between the Ferry Building and Fisherman's Wharf area of San Francisco to and from Sausalito and/or Muir Woods using eight-passenger luxury limousines.

7. Applicant proposes to use eight-passenger limousines for all route segments with a 14-passenger van as a backup vehicle.

8. Although there are several carriers providing service between the airports and between San Francisco and SFIA, these route segments are not saturated with carriers; the addition of this carrier can lead to better service for the public. The novel luxury limousine service proposed by applicant between any point in San Francisco to SFIA may lure more people out of private automobiles.

9. Applicant's service is distinguishable and different from that of existing carriers in that it is relatively low-priced luxury limousine service.

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10. Public convenience and necessity require that applicant be granted the operating authority to conduct the on-call San Francisco to SFIA, Inter-Airport and San Francisco Ferry Building and Fisherman's Wharf to Sausalito and/or Muir Woods service in luxury limousines.

Conclusions of Law

1. Section 1032 does not preclude granting the requested authority as the service is different from that offered by existing carriers.

2. Public convenience and necessity has been demonstrated and applicant should be granted authority to provide on-call service between San Francisco and SFIA, between SFIA, SJMA, and OIA in luxury eight-passenger limousines, with a 14-passenger van as backup.

3. Since some of applicant's operations are seasonal, this order should be effective today.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

<u>O R D E R</u>

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to J. R. (Cisco) Zavaleta, authorizing him to operate as a passenger stage corporation (PSC-1227), as defined in PU Code § 226, between the points and over the routes set forth in Appendix PSC-1227, to transport persons and their baggage.

- 2. Applicant shall:
 - a. File a written acceptance of this certificate within 30 days after this order is effective.
 - b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.

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- c. State in his tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; and make timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.

This order is effective today. Dated <u>MAY 171982</u>, at San Francisco, California.

> JOHN E BRYSON President RICHARD D CRAVELLE LEONARD M CRIMES JR VICTOR CALVO PRISCILLA C. CREW Commissioners

I CERTIFY THAT THIS DECISION WAS APPROVED BY DHE ABOVE COMMISSIONERS TODAY Joseph E. Bodovitz, Exec

/ALJ/vdl

Appendix PSC-1227

J. R. ZAVALETA doing business as Tri-Terminal Limousine Service

Original Title Page

CERTIFICATE

OF

PUBLIC CONVENIENCE AND NECESSITY

PSC-1227

TO OPERATE AS

A PASSENGER STAGE CORPORATION

Showing passenger stage operative rights, restrictions, limitations, exceptions, and privileges.

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 82 05 061 dated NAY 1 of the Public Utilities Commission of the State of California, in Application 58877. /ALJ/vdl Appendix

PSC-1227 J. R. ZAVALETA doing business as Tri-Terminal Limousine Service

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SECTION 2. ROUTE DESCRIPTIONS Route Route Name

- l San Francisco to San Francisco Airport
- 2 San Francisco Airport to Oakland Airport
- 3 San Francisco Airport to San Jose Airport
- 4 San Francisco to Sausalito and Muir Woods

Issued by California Public Utilities Commission. Decision ______, Application 58877. /ALJ/vdl Appendix PSC-1227

J. R. ZAVAIETA doing business as ri-Terminal Limouring Commission

Tri-Terminal Limousine Service

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

J. R. Zavaleta,dba Tri-Terminal Limousine Service 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 the termini designated or certain territories over and along the routes described, subject, however, to the authority of this Commission to change or modify these 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) No service shall be provided to or between intermediate points.
- (d) The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which each authorized on-call service will be rendered.
- (e) Applicant shall not pick up or discharge passengers on Routes 1,2 and 3 except within the limits of the specified passenger service areas at the airports specified.

Issued by California Public Utilities Commission. 82 05 061 Decision _____, Application 58877. /ALJ/vdl Appendix PSC-1227

J. R. ZAVALETA doing business as Tri-Terminal Limousine Service

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SECTION 1. (Continued)

- (f) The Transportation of passengers' baggage shall be on passenger-carrying vehicles and shall be incidental to the transportation of passengers and limited to a weight of not more than 100 pounds per shipment.
- (g) The service shall be provided in luxury sedan limousines with a seating capacity of one driver and eight passengers.
- (h) Applicant shall not pick up or discharge passengers in San Francisco on Route 4 except between the Embarcadero and Market Street extension to Polk St. and North Point Street.
- (i) Route 4 is to be operated on a seasonal basis, April 1 through September 30.

Issued by California Public Utilities Commission. Decision 82 05 061 Application 58877. /ALJ/vdl

Appendix PSC-1227

J. R. ZAVALETA doing business as Tri-Terminal Limousine Service

SECTION 2. ROUTE DESCRIPTIONS.

Route 1

Beginning at any point or points in the City and County of San Francisco, then via the appropriate city streets to U.S. Highway 101, then via U.S. Highway 101 and the San Francisco International Airport access road to the passenger terminals at the San Francisco International Airport.

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Alternate Route 1

When appropriate due to the location of pickup point(s), exit from the City and County of San Francisco may be via Interstate Highway 280, then via Interstate Highway 280, Interstate Highway 380, U.S. Highway 101, and the San Francisco International Airport access road to the passenger terminals at the San Francisco International Airport.

Route 2

Beginning at the passenger terminal at San Francisco International Airport, then via the airport access road U.S. Highway 101, State Highway 92, State Highway 17, Jones Avenue (98th Avenue), and Airport Drive to the passenger terminal at the Oakland International Airport.

<u>Alternate Route 2</u>

This route may be modified to use Davis Street and Doolittle Drive (State Highway 61) between State Highway 17 and Airport Drive at the Oakland International Airport.

Issued by California Public Utilities Commission. Decision ______ **82 05 061** , Application 58877. /ALJ/vdl Appendix PSC-1227

J. R. ZAVALETA doing business as Tri-Terminal Limousine Service

SECTION 2. ROUTE DESCRIPTIONS. (Continued)

<u>Route 3</u>

Beginning at the passenger terminal at San Francisco International Airport thence via the airport access road U.S. Highway 101, Guadalupe Parkway and Airport Boulevard to the passenger terminal at the San Jose Municipal Airport.

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Route 4

Beginning in the City and County of San Francisco on the Embarcadero at the prolongation of Market Street; thence via the Embarcadero, Taylor Street, Beach Street, Polk Street, North Point Street, Van Ness Avenue, Lombard Street (U.S. Highway 101), U.S. Highway 101, Alexander Avenue (South Sausalito exit), South Street, Second Street, Richardson Street, Bridgeway to the terminal at Johnson Street, thence via Bridgeway, U.S. Highway 101, State Highway 1, Panoramic Highway and Muir Woods Road to the Visitor Center in the Muir Woods National Monument.

Route 4 - Return

Return departure from the Visitor Center at Muir Woods National Monument shall be via Muir Woods Road, State Highway 1 to U.S. Highway 101 thence via the reverse of the above described route.

(END OF APPENDIX)

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Counsel for Airporter elicited testimony from applicant that he has operated at a loss in 1979, 1980, and 1981 as a charterparty carrier and that the increase in net worth shown in his July 30, 1981 financial statement over the March 1, 1979 financial statement attached to the application was due to the appreciation in value of applicant's home in San Bruno and two lots owned in California City. We note that the passenger charter-party carrier renewal form requires property to be shown at book cost and not at market value as reported by applicant on his renewal form (Exhibit 3 is part of the renewal form).

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Fisherman's Wharf to Muir Woods Service

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Fare Structures

Applicants proposed fare of \$15 for one passenger between San Francisco and SFIA and \$10 each for two or more passengers as well as the \$50 fare for one to five passengers for its inter-airport service and San Francisco to Muir Woods service and a \$25 fare for one to five passenger for its San Francisco to Sausalito service is more akin to charter fare and not per capita common carrier service. In authorizing the certificate of public convenience and necessity for the route segments requested, we are not authorizing the tariff schedules filed with the applicant to file appropriate tariffs with appropriate per capita charges. If applicant does not desire to provide service for one passenger at the per capita rate he may specify a minimum number of passengers before service will be rendered.

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Findings of Fact

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1. Applicant is a charter-party carrier (permit TCP-263P) providing on-call 24-hour per day service principally in the Counties of Alameda, San Mateo, San Francisco, Santa Clara, and Marin.

2. Applicant possesses the ability to perform the proposed service.

3. Applicant's proposed on-call luxury limousine, on-call service to and from any point in San Francisco to SFIA is significantly different from service provided by existing carriers.

4. Although there are many carriers providing service in the San Francisco to SFIA route segment, none provide a home to airport service in luxury eight-passenger limousines at per capita charges.

5. The addition of another regulated carrier in the interairport service will benefit the public by providing more frequent service.

6. There is no direct common carrier service between the Ferry Building and Fisherman's Wharf area of San Francisco to and from Sausalito and/or Muir Woods using eight-passenger luxury limousines.

7. Applicant proposes to use eight-passenger limousines for all route segments with a 14-passenger van as a backup vehicle.

8. Although there are several carriers providing service between the airports and between San Francisco and SFIA, these route segments are not so saturated with carriers; the addition of this carrier can lead to better service for the public. The novel luxury limousine service proposed by applicant between any point in San Francisco to SFIA may lure more people out of private automobiles.

9. Applicant's service is distinguishable and different from that of existing carriers in that it is relatively low-priced luxury limousine service.

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10. Public convenience and necessity require that applicant be granted the operating authority to conduct the on-call San Francisco to SFIA, Inter-Airport and San Francisco Ferry Building and Fisherman's Wharf to Sausalito and/or Muir Woods service in luxury limousines.

Conclusions of Law

1. Section 1032 does not preclude granting the requested authority as the service is different from that offered by existing carriers.

2. Public conveniences and necessity has been demonstrated and applicant should be granted authority to provide on-call service between San Francisco and SFIA, between SFIA, SJMA, and OIA in luxury eight-passenger limousines, with a 14-passenger van as back-up.

3. Since some of applicant's operations are seasonal, this order should be effective today.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

<u>ORDER</u>

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to J. R. (Cisco) Zavaleta, authorizing him to operate as a passenger stage corporation (PSC-1227), as defined in PU Code § 226, between the points and over the routes set forth in Appendix PSC-1227, to transport persons and their baggage.

- 2. Applicant shall:
 - a. File a written acceptance of this certificate within 30 days after this order is effective.
 - Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.

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