

ORIGINAL

Decision 82 06 090 JUN 15 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 24-HOUR AIRPORT EXPRESS, INC., a)
 California corporation, for authority)
 to operate as a passenger stage)
 corporation between Los Angeles)
 International Airport and Ontario)
 Airport, on the one hand, and Ontario)
 Airport Motel; Holiday Inn-Ontario;)
 Red Lion Motor Hotel-Ontario; Super 8)
 Motel-Ontario; Griswold Inn-Claremont;)
 Rodeway Inn-Claremont; Granada Royale)
 Hometels; Holiday Inn-West Covina;)
 Sheraton Hotel-City of Industry, on the)
 other hand; and between Los Angeles)
 International Airport and 24-Hour)
 Airport Express (La Habra); Best)
 Western Hotel; Vagabond Motel-Whittier;)
 Rodeway Inn-Pico Rivera; Holiday Inn-)
 Montebello; Hyatt House Hotel-City of)
 Commerce; Anaheim Hills Motor Inn-)
 Anaheim; Griswold Inn-Fullerton;)
 Holiday Inn-Fullerton; Quality Inn-)
 Buena Park; Willow Tree Inn-Compton;)
 Irvine Host Motor Hotel-Irvine; Orange)
 Airporter Inn Hotel-Irvine; Sheraton)
 Inn-Newport Beach; Rodeway Inn-Santa)
 Ana; Mission Viejo Mall-Mission Viejo;)
 Hyatt Lodge-Laguna Hills; Travel Lodge-)
 El Toro, CA; Orange County Airport)
 (John Wayne Airport); South Coast Plaza)
 Hotel-Costa Mesa; Holiday Inn-Costa)
 Mesa; Holiday Inn-Long Beach; Hyatt)
 Edgewater Hotel-Long Beach; Huntington)
 Beach Inn-Huntington Beach; Balboa Bay)
 Club-Balboa; Newporter Inn-Newport)
 Beach; Newport Beach Marriott-Newport)
 Beach; Surf and Sand-Laguna Beach;)
 using radio dispatched vans with a)
 capacity not to exceed 14 passengers.)

Application 60670
 (Filed June 22, 1981;
 amended June 30, 1981 and
 November 2, 1981)

Edward L. Miller, Attorney at Law, for
24-Hour Airport Express, Inc., applicant.
James H. Lyons, Attorney at Law, for
Airport Service, Incorporated, protestant.
James P. Jones, for the United Transportation
Union, interested party.

FINAL OPINION

This application was consolidated with Application (A.) 60906 when each applicant protested the other's application. The applications were heard on December 15, 16, and 17, 1981 in Los Angeles. On the last day of hearing, 24-Hour Airport Express, Inc. (24-Hour) withdrew its protest and A.60906 was granted as an uncontested matter (Decision (D.) 82-03-028 dated March 2, 1982). That decision also separated the applications since consolidation was no longer necessary.

A.60670, as amended, requested authority to operate over six routes between Los Angeles International Airport and local motels as a passenger stage corporation. 24-Hour canceled Routes 3, 4, and 5, while Airport Service, Incorporated (protestant) withdrew its objection to Routes 1 and 2, which 24-Hour was authorized to serve by an interim opinion (D.82-03-029 in A.60670 dated March 2, 1982). Route 6 remained as the only part of this application which was still protested. Concurrent briefs were provided on Route 6 and filed on January 22, 1982.

Prior to filing this application, 24-Hour was providing airport shuttle service under a certificate granted by D.89074, as amended by D.90719 dated August 28, 1979 (A.57765 and A.58314) and by D.92952 dated April 21, 1981 (A.59614) between points in Los Angeles, Orange, and San Bernardino Counties and Los Angeles International Airport, Orange County Airport, Long Beach Municipal Airport, Ontario International Airport, and Hollywood Burbank Airport. The service is by "reservation only" and does not involve fixed points and regular schedules but is door to door between a residence or business and the airport within the named counties, using a fleet of 38 radio-dispatched vans and station wagons.

24-Hour now provides service for those who call for transportation from home or motel to a designated airport. This application requests authority to handle passengers from Orange County who prefer to be picked up at one of 24-Hour's designated stops. Proposed Route 6 has its north terminus at the Los Angeles International Airport. It bears south and easterly 28 miles to Long Beach, then southeast 5 miles to Seal Beach on the Pacific Ocean, and southerly 20 miles along the beach on Pacific Coast Highway 1 to Laguna Beach. The vans will stop at the Surf and Sand and Hotel Laguna in Laguna Beach, the Newporter Inn and Newport Beach Marriott in Newport Beach, the Balboa Bay Club in Balboa, the Huntington Beach Inn in Huntington Beach, and the Hyatt Edgewater Hotel in Long Beach. Fifteen round-trip schedules are proposed, five days a week. The first van leaves the airport at 6:30 a.m. and the last at midnight. The first out of Laguna Beach leaves at 4:30 a.m. and the last at 9:25 p.m. Eight round trips are scheduled on weekends. One-way fares vary from \$9 to \$15 based on distance.

Vans will not be dispatched to check empty bus stops. Riders must still call in to request pickup at a specific stop and time of day. The vans will stay on designated routes, although door-to-door service will also be provided on or near each route by the van assigned to that route. This will reduce the operator's cost and the rider's fare. It was emphasized that passengers without reservations will be picked up if there is room in the vehicles, but schedules may be canceled if there are no confirmed passengers prior to the scheduled time of departure.

24-Hour asserts that it now provides continuous service out of the beach communities on a "portal-to-portal" basis. The portal service fare out of Laguna Beach is \$33. It would drop to \$15 under the proposed service. The corresponding fares out of Huntington Beach are \$29 and \$13, out of Long Beach \$23 and \$12. It was noted that protestant has no corresponding service, although it does have one daily schedule which requires 2-1/2 hours to go from Newport Beach to the Los Angeles International Airport. A witness advised

that the route protestant is trying to preserve extends parallel to the beach and three or more miles inland. There are places where protestant's stops are accessible only over narrow winding roads. Parking at other stops may be limited and travelers from Long Beach may prefer to drive and park at the airport rather than make round trips to a distant bus stop. None of 24-Hour's public witnesses testified regarding proposed Route 6, but several were familiar with the parking problems at the Los Angeles International Airport and all were in favor of any plan likely to reduce congestion in the "passenger service" areas.

An operating witness testified that on the present door-to-door operation an average of 1.4 passengers per trip has been maintained at a total cost of 51¢ per mile. It was estimated that 4.37 round-trip passengers will be required to break even on Route 6 and that this total should be reached in about three months.

Protestant's Evidence

Protestant's witness testified that people will drive 5 miles to a bus stop when the airport is at least 12 miles away and 12 miles if the airport is 25 miles away. A survey was explained which showed that 35 to 85% of airport passengers came from the Los Angeles area, rather than from a hotel or motel. Protestant placed an exhibit in evidence to illustrate an increase in patronage during 1978 and 1979 at Mission Viejo and Laguna Hills, which were stops on one of its schedules. Two new operators started during the latter part of 1978 and the two stops mentioned had a decrease of 12.6% in patronage during 1980. A decrease in patronage has occurred at other stops according to the exhibit. Protestant has no competitors out of Long Beach and its patronage has increased every year through 1980.

He testified that 24-Hour's proposed stop at Hotel Laguna is within 7 or 8 miles of protestant's Laguna Hills stop. The 24-Hour stop at the Newport Beach Marriott is within 1/2 mile of protestant's at the Newporter Inn. The Huntington Beach stop of 24-Hour is within 10 miles and its Long Beach stop within 3 miles of protestant's Seal Beach stop. The Long Beach stop of 24-Hour is

within 5 miles and its Huntington Beach stop within 10 miles of the Long Beach Airport, which is a long-established stop of protestant. The Newporter Inn and Newport Beach Marriott also provide a free shuttle service to Long Beach Airport.

Protestant relies on the principle that a new operator should not be certificated where an existing passenger stage corporation is providing satisfactory service (Public Utilities (PU) Code § 1032). It is argued that there is no evidence protestant's service is unsatisfactory, or even that more service is needed. Protestant maintains that certificating two carriers to operate over parallel routes 5 to 10 miles apart may put both out of business.

Protestant further argues that 24-Hour has implied the proposed service will be profitable, but there is no proof. 24-Hour produced testimony that one van will check designated stops and pick up anyone nearby who calls for a pickup at his door; but a passenger may object to the inconvenience of detouring through designated stops and sharing his vehicle with those who pay a lesser fee for the same service. It contends a mere desire to expand or provide service is not a reason to grant a certificate. (C. A. Schlageter (1923) 23 CRC 193.)

Discussion

24-Hour has applied to institute a scheduled bus service from designated bus stops to replace its present reserved seat portal-to-portal service. The request to serve Route 6 should be granted for the following reasons:

1. The proposed service will be provided at frequent intervals every day including weekends and holidays.
2. The proposed service will be provided at half of the present fares.
3. More riders can be accommodated by the proposed service.

4. Congestion at the Los Angeles Airport will be reduced in proportion to the number of riders who take the bus.
 5. Protestant's service is too far from the beach in most areas.
 6. 24-Hour's buses will run through most of the beach communities, which will provide the maximum incentive for residents to use the service.
- Findings of Fact
1. 24-Hour has applied to provide from 8 to 15 daily bus schedules 7 days a week, a distance of approximately 55 miles, between the Los Angeles International Airport and Laguna Beach, stopping at designated points to pick up passengers in Long Beach, Huntington Beach, Balboa, Newport Beach, and Laguna Beach.
 2. 24-Hour already provides an on-call, door-to-door airport and return service in the area and has applied to combine present and proposed service.
 3. The service will extend from the Los Angeles International Airport through the shoreline communities south of Los Angeles.
 4. Protestant provides scheduled service over roads and a highway parallel to and 3 to 10 miles from 24-Hour's proposed route.
 5. 24-Hour's proposed service will serve residents along the beach while Protestant transports those who live inland, thus 24-Hour's proposed service is materially different from Protestant's.

Conclusions of Law

1. Public convenience and necessity have been demonstrated and the request to institute service over 24-Hour's proposed Route 6 should be granted.
2. 24-Hour's service is materially different from Protestant's, and PU Code § 1032 does not apply.
3. Since there is a demonstrated need for the proposed service the following order should be effective today.

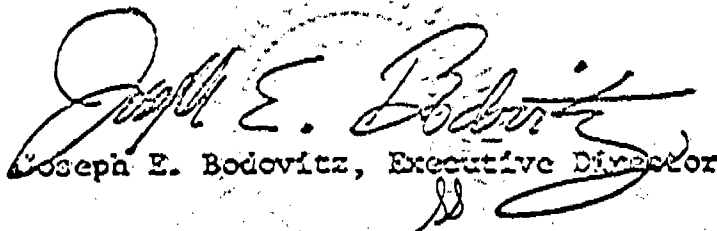
e. Maintain accounting records in conformity with the Uniform System of Accounts.

This order is effective today.

Dated JUN 15 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

Zone 201D

Beginning at the south point where Zone 201C meets the Pacific Ocean, northeasterly through the intersection of Crown Valley Parkway and Pacific Coast Highway and then following the southeasterly border of Zone 201C until the line intersects Interstate 5, northerly on Interstate 5 to the southerly border of Zone 201B, then due east to a point on the Orange County-Riverside County line, southerly along the Orange County line to the Pacific Ocean, northerly along the Pacific Ocean to the point of origin.

Route I - Between Ontario International Airport and Los Angeles International Airport

Beginning at the Ontario International Airport and following Interstate 10 to Azusa Avenue, south on Azusa to the 60 Freeway, to Interstate 10 to La Brea Avenue, south on La Brea to La Cienega Boulevard, and then to the airport; stopping at the Sheraton Inn, City of Industry; Holiday Inn and Granada Royale, West Covina; Rodeway and Griswold Inns, Claremont; the Super 8 Motel and Holiday Inn, Airport Motel, and Red Lion Inn, Ontario.

Route II - Between La Habra and Los Angeles International Airport

From 24-Hour Airport Express, Inc. office in La Habra along Lambert Road to Beach Boulevard, then along Whittier Boulevard to Washington Boulevard to Rosemead Boulevard, then along Slauson Boulevard southerly over La Cienega Boulevard to the Los Angeles International Airport; with stops at Best Western Motel, La Habra; Vagabond Motel, Whittier; Rodeway Inn, Pico Rivera; Holiday Inn, Montebello; and Hyatt House Hotel, Commerce.

(Deleted)*

Issued by California Public Utilities Commission.

*Deleted by Decision 82 06 090, Application 60670.

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