

Decision ~~S2 06 100~~ June 15, 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PINETREE SERVICE CORPORATION, INC., a
California corporation, for a Certi-
ficate of public convenience and
necessity to operate an airport access
service between points in Kern, Orange,
and San Diego Counties on the one
hand, and Los Angeles County on the
other hand, and for common carrier
rights to carry small packages between
the same points.

Application 60598
(Filed May 28, 1981;
amended August 13, 1981
and September 28, 1981)

In the Matter of the Application of
SUNDANCE STAGE LINES, INC., a
California corporation, for a certi-
ficate of public convenience and
necessity to operate a scheduled
passenger stage service between San
Diego International Airport (Lindbergh
Field) on the one hand, and Los Angeles
International Airport on the other
hand.

Application 60523
(Filed May 6, 1981;
amended August 24, 1981)

In the Matter of the Application of
NRS, Inc., doing business as FLEETWOOD
LIMOUSINE SERVICE and FLEETWOOD
LIMOUSINE AND AIRPORTER SERVICE, for
additional routes for passengers and
their baggage.

Application 60789
(Filed August 5, 1981)

In the Matter of the Application of
WILLIAM CARROLL, an individual dba
AIRPORT STAGE LINES, for authority to
operate as a passenger stage corpora-
tion in a scheduled, on-call and home-
to-work passenger and express service
between points in north San Diego
County to and from Orange County and
Los Angeles International Airports.

Application 60805
(Filed August 31, 1981)

In the Matter of the Application of
BRUCE R. BABCOCK, dba "THE BUS LINE TO
LAX", for a certificate of public
convenience and necessity to operate
as a passenger stage corporation be-
tween points in San Diego and Orange
Counties and the Los Angeles Interna-
tional Airport.

Application 60818
(Filed August 14, 1981)

In the Matter of the Application of
SUNDANCE STAGE LINES, INC., a
California corporation, for a certifi-
cate of public convenience and
necessity to operate a regularly
scheduled motor coach service between
points in San Diego County on the one
hand, and the Mammoth Resort areas
in Mono County, California, on the
other.

Application 60565
(Filed May 15, 1981)

In the Matter of the Application of
GERALD A. SEARS, an individual dba
BAKERSFIELD AIRPORT EXPRESS, for
authority to operate as a passenger
stage corporation between points in
Kern, Ventura and Los Angeles Counties
and the Los Angeles International
Airport.

Application 60430
(Filed April 10, 1981;
amended May 4, 1981;
rehearing granted
August 18, 1981)

In the Matter of the Application of
AIRPORT BUS of BAKERSFIELD, INC., a
California corporation, to transfer
certain property and a certificate
of public convenience and necessity,
PSC-1166, from GERALD A. SEARS, an
individual dba BAKERSFIELD AIRPORT
EXPRESS, to applicant pursuant to
Section 851, et seq., of the
California Public Utilities Code, and
small package express authority as
described below.

Application 60826
(Filed August 18, 1981)

(See Appendix A for appearances.)

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INTERIM OPINION ON APPLICATION 60598-00
 AND FINAL OPINION ON ALL OTHER MATTERS-00

Summary - 00
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The decision in this matter involves eight applications all of which are concerned with certificated passenger stage service. A brief summary of the decision follows:

1. There is no direct passenger stage access service between various points in coastal and inland San Diego and southern Orange and Counties; on the one hand; and Los Angeles International Airport (LAX), John Wayne Airport (ORX) aka Orange County Airport, and the passenger cruise ship piers in the Los Angeles-Long Beach (LA-LB) harbor area; on the other hand. The requests to provide certain such or similar type services in this corridor by Pinetree Service Corporation (Pinetree) in Application (A) 60598; by Sundance Stage Lines, Inc. (Sundance) in A.60523, NRS, Inc. (NRS), doing business as Fleetwood Limousine Service and Fleetwood Limousine and Airporter Service (Fleetwood) in A.60789 granted; by William Carroll (Carroll), dba Airport Stage Lines, in A.60805 granted in part; and by Bruce R. Babcock (Babcock), dba The Bus Line to LAX, in A.60878 dismissed at his request. Robert L. Curtis (Curtis), dba Bob's Ride, who operates a passenger stage service between Camp Joseph H. Pendleton U. S. Marine Corps. Base (Pendleton) and San Diego International Airport (SAN) aka Lindbergh Field, protested the portions of the requests by Sundance and Carroll that seek authority to serve between these two points. Sundance's request to provide this service granted on basis of some service differences from Curtis. Carroll's request to provide this service is granted to enhance service to the public. (TWO) 00
2. The request by Sundance in its A.60565 to provide a weekend service for skiers between a specific location in the City of San Diego and Mammoth resort areas during the winter season is granted. Protest by Kopecky

Corporation (Kopecky) which has been providing a similar weekend winter service for a number of years. Decision holds this is a recreation-oriented service and some regulated competition is in public

interest. service is in public interest.

3. On rehearing of Decision (D.) 93117 in case A.60430 we find that no change should be made in the certificate issued in the decision to Gerald A. Sears (Sears), doing business as Bakersfield Airport Express (BAX), to operate a passenger stage service between Bakersfield and LAX, with intermediate service to and from Magic Mountain, a recreation and amusement park, at Saugus. Greyhound Corporation (Greyhound) applied for rehearing and objected primarily to the authorization to service between Bakersfield and Magic Mountain which it also provides. This decision holds, as with Sundance's Mammoth request, that this is recreation-oriented service.

4. Request in A.60826 to transfer Sears certificate to Airport Bus of Bakersfield, Inc. (ABB) is granted. ABB has been operating the service under an agency lease agreement with Sears who is a director but not shareholder of the corporation. Sears is involved in the management of ABB but does not have control. He is to receive a 15% stock interest in ABB. No Commission authorization obtained by the parties for this arrangement. No intent to violate any applicable regulation by parties was shown. Good service is being provided and public need for it has been shown. Transfer is in public interest.

5. The request by Pinetree in its A.60598 to operate between Bakersfield and LAX is granted.

6. Pinetree's request to operate between LAX, Ontario Airport (ONT), and Palm Springs was not considered here and will be the subject of a separate decision.

of a separate decision. those who are involved in the service are to be considered in a separate decision. those who are involved in the service are to be considered in a separate decision.

II. Introduction. The following applications each seek authority to operate as a passenger stage corporation generally between SAN or surrounding areas, on the one hand, and LAX or nearby points, on the other hand (Corridor 1): (1) A.60598, as amended, by Pinetree; (2) A.60523, as amended, by Sundance; (3) A.60789 by NRS; (4) A.60805 by Carroll; and (5) A.60818 by Babcock. Some of the applications also request authority to serve certain intermediate points.

By A.60565, Sundance requests authority to provide passenger stage corporation service on weekends between the City of San Diego and the Mammoth resort areas (Corridor 2) in Mono County during the winter season.

Pinetree in its A.60598, as amended, also requests authority to operate as a passenger stage corporation between Bakersfield and LAX (Corridor 3). Sears was authorized by D.93117 dated May 19, 1981 in A.60430, as amended, to provide passenger stage service between Bakersfield, Saugus, and LAX. A petition for rehearing of this decision by Greyhound was granted by D.93464 dated August 18, 1981, which did not stay D.93117. By A.60826, ABB requests authority to acquire the operating authority and related property of Sears.

Since most of the applications are concerned with Corridor 1 and some are concerned with more than one service corridor and because of the similarity of issues in various applications, all eight matters were joined for hearing on a consolidated record. A prehearing conference and eight days of public hearing were held during September and October 1981 before Administrative Law Judge Arthur M. Mooney in Los Angeles and San Francisco. With the exception of part of Pinetree's A.60598, the matters were submitted on the filing of written closing statements on November 2, 1981. The request in A.60598 to provide service in Corridors 1 and 3 was submitted. The further request in this application to provide

service between LAX, ONT, and Palm Springs was separated from and is not a part of this consolidated proceeding and will be the subject of a separate proceeding.

By letter dated October 5, 1981 to the Commission, Babcock advised that he desired to have his A.60818 withdrawn. In the circumstances, no further consideration of this application is necessary, and the request will be granted.

We will first separately summarize the evidence and arguments relating to each of the three service corridors presented by the various applicants, except Babcock, and protestants. This will be followed by a discussion, findings, conclusions, and order relating to all matters.

III. Evidence and Argument

A. Corridor 1 - Between San Diego and Los Angeles International Airport Areas

1. A.60598 - Pinetree Service Corp.

Pinetree was incorporated in 1971, and its principal place of business is in Westminster, near Los Angeles. It is the sole owner of California Charter Buses (CCB), a corporation which it purchased, and Pinetree Tours, a corporation. Pinetree Transportation is an operating division of Pinetree and had previously been a wholly owned corporation which was dissolved.

Pinetree holds a passenger stage certificate (PSC-1152) granted by D.92763 dated March 3, 1981, as amended by D.93801 dated December 1, 1981, in A.60094. The certificate authorizes nine sightseeing tours between points in Los Angeles and Orange Counties, on the one hand, and named points of interest in the two counties, on the other hand. Through its operating division, Pinetree Transportation, it: (1) provides various school bus transportation services, including services for handicapped children, and leases equipment for these services; (2) has charter and special operations authorities from the Interstate Commerce Commission (ICC); and (3) holds a Class A charter-party carrier of passengers certificate

TCP-88A). It owns no equipment, and charters equipment primarily from CCB for other than school bus operations.

CCB had been in the charter business for a number of years prior to its acquisition by Pinetree. It holds a Class A charter-party carrier of passengers certificate (TCP-33A). CCB provides charter service primarily in the southern California area. CCB has a terminal in Los Angeles and owns or leases the following air-conditioned equipment: (1) 50-10-passenger vans; (2) 12-39-passenger MC-5A coaches; (3) 15-46-passenger Prevost coaches; and (4) 40-46-passenger MC-9 coaches. It has made arrangements to obtain additional equipment.

Pinetree-Tours provides various tour services, including arranging sightseeing services for groups coming into southern California and tours for disabled persons.

The March 31, 1981 balance sheet, attached to the application, for Pinetree and its subsidiaries showed assets of \$5,279,532, liabilities of \$3,470,600, and a shareholders' equity of \$1,808,932. Exhibit Pinetree 1-C shows for the eight months ended March 31, 1981, for all companies an income from sales of transportation services of \$6,735,542, of which 71% was attributable to home-to-school service and 18.1% was attributable to charters, and a net income before income taxes of \$701,876. Pinetree had not commenced passenger sightseeing service at this time.

The specific authority Pinetree seeks in Corridor 1 is to provide a scheduled airport access service for passengers and their baggage between SAN and LAX with intermediate stops at Hadley's Fruit Orchard in Carlsbad, San Diego County, and Carrow's Restaurant in San Clemente, Orange County. No local service would be provided between Carlsbad and San Clemente. The proposed passenger fares are as follows:

One-way fare from LAX to Carrow's Restaurant and back to LAX is \$10.00. One-way fare from LAX to Hadley's Fruit Orchard and back to LAX is \$10.00. One-way fare from LAX to Carrow's Restaurant and back to LAX is \$10.00. One-way fare from LAX to Hadley's Fruit Orchard and back to LAX is \$10.00.

Between	Fare/Person
LAX-SAN	\$15.00
LAX-San Clemente	7.25
LAX-Carlsbad	10.70
SAN-Carlsbad	4.30
SAN-San Clemente	7.75

Authority is also sought to provide express service for packages not over 50 pounds in weight over the same route. The proposed charges for this service would vary according to the weight of the package, with the charges between SAN and LAX ranging from \$7.50 for a package under two pounds to \$16.00 for one between 41 and 50 pounds.

Evidence in support of this route was presented by the executive vice president and the sales manager of Pinetree and by a travel agent. The vice president has been with Pinetree for over four years and had prior experience in the transportation and market research fields. Among other duties, he handles market research studies for Pinetree.

Following is a summary of the evidence presented by the vice president regarding the operation of the proposed SAN-LAX service:

1. Pinetree would charter MC-5A, Prevost, or MC-9 motor coach equipment for its exclusive use for this route from CCB. The charge for the equipment would be \$1.70 per mile which is the same amount CCB charges any other customer. There would be no deadhead charge in either Los Angeles or San Diego, and the equipment would be stored overnight in San Diego near the airport. CCB would be responsible for equipment maintenance and driver's salary and has arrangements with a San Diego carrier for any repairs that should be necessary in that area. The driver and equipment would be under its control. Should the need arise, Pinetree has other sources from which it can charter equipment.
2. Pinetree proposes to initially operate two round trips per day between SAN and LAX with the intermediate stops in each direction at San Clemente and Carlsbad. The total

distance and time for each leg of the round trip are 122 miles and approximately three hours, respectively. It tentatively plans to have an early morning and midafternoon departure from San Diego and a midday and early evening departure from LAX. The finalized schedule will be based on airline schedules and recommendations by travel agents. Because of maintenance and repairs, it is estimated that on the average one and a half buses would be required. Should additional schedules be required as the service develops, more equipment would be obtained.

3. Pinetree's Pro Forma Income Statement for the first six months of operating this service (Exhibit Pinetree 1-E) shows an operating loss of \$58,380, ranging from a loss of \$20,520 for the first month down to \$1,440 for the sixth month. This is based on an estimated 10 passengers per trip the first month with an increase of two passengers per trip each month to 20 passengers per trip the sixth month. After the six-month start-up period the number of passengers per trip should continue to increase and the operation should be profitable. Pinetree has the financial resources to absorb this initial start-up loss if it should in fact occur.

4. Pinetree would have a representative at LAX to meet arriving and departing buses. Tickets would be sold by this representative and travel agents and also by the driver to passengers boarding a bus. The service would be advertised in trade and general publications, and brochures would be distributed to travel agents and to airports and other locations for the general public.

The vice president testified that there is no service similar to that proposed and public convenience and necessity require that the service be authorized. He stated that according to travel agents he contacted, there would be a substantial demand for the service by tourists and the general public other than business

travelers who now primarily use air commuter service. The witness asserted that the San Diego Convention and Visitors Bureau (C&V Bureau) supports the request and furnished him with a letter confirming its position. (Exhibit Pinetree 1-F). He stated that the following data furnished to him by the Bureau clearly establish the need for the service:

1. Visitors to San Diego increased 6% in 1980 to a total of over 10 million for the year, of which 700,000 were from Europe and one million arrived by rental car. There was a further increase of 12-1/2% in the first seven months of 1981 over the similar period in 1980.
2. There are now no scheduled international air flights at SAN. Due to rising costs and the air controllers' strike, all domestic scheduled air service at SAN has been cut back. Now most service is by commuter flights. Because of this and increased air fares, the number of air passengers to San Diego decreased 21% in 1980 and a further 6% in the first half of 1981.
3. The population of southern Orange County, northern San Diego County, and the area in and around the city of San Diego, which the proposed route would serve, has been steadily increasing.

The sales manager of Pinetree, who has been with the company for four years, testified that he contacted all travel agents in Carlsbad and San Clemente and many in San Diego by telephone and follow-up letters regarding the proposed SAN-LAX airporter service. He explained that they were interested in the service and in the proposed fares and schedules and the commission arrangements. He stated that written responses were received from 13 of them.

The travel agent testified that he and his wife own A Bit of Travel, a full service travel agency business in Carlsbad. He stated that the population of Carlsbad has been increasing and has doubled in the past five years. The witness asserted that there are six other travel businesses in the area and that he has frequent contact with them. He testified that while there is limited direct

highway-passenger service to SAN, there is none to LAX. He explained that air service from the local airport to LAX costs \$28 per vehicle or passenger and that to take public ground transportation requires many transfers. He asserted that he receives 2 or 3 requests per day from individuals for ground transportation to LAX and a similar number for ground transportation to SAN. Although he felt a different pickup point in Carlsbad than that proposed by Pinetree would be more convenient for passengers, he stated that there is a need for the service and recommended that the proposed service be authorized.

The attorney for Curtis, upon being assured by Pinetree that it was not its intent to serve between Pendleton and SAN, which route his client serves, stated that Curtis had no objection to any of Pinetree's application. Several of the other applicants for a similar route authority opposed the granting of this route to Pinetree on various grounds.

In his written closing statement, the attorney for Pinetree argued that while there are some similarities in the request by his client and those by Sundance, Fleetwood, and Carroll to serve Corridor 1, there are significant differences between them, including certain of the points each requests authority to serve, equipment to be used, proposed fares, and schedules. He asserted that Pinetree alone presented evidence establishing a public need for the service it proposes. He urged that his client's request to serve this route be granted and that the requests by the three other applicants to serve this corridor be denied.

A.60523 - Sundance Stage Lines, Inc.

Sundance has been in the charter business since late 1978. It holds a Class A charter-party carrier of passengers certificate (TCP-210A). It also has charter and special operations authority from the ICC for service between San Diego and the continental states. By A.60520 Sundance requested a passenger stage certificate to provide certain sightseeing services in southern California. (This certificate has been granted by D-82-02-098, dated February 17, 1982.)

The specific authority sought by Sundance in Corridor 1 is to provide the following scheduled airport access service for passengers and their baggage among existing and proposed airports:

1. Northbound from SAN to Pendleton, ORX, and SAN.

2. Southbound from LAX to Pendleton and SAN.

3. Local service would be provided between SAN

and Pendleton and between LAX and Pendleton.

The proposed fares are as follows:

From	To	Adult	Child (under 12)
SAN(1)	Pendleton	\$ 8	\$ 6
SAN	ORX	17	13
SAN(1)	LAX	20	15
Pendleton	ORX	9	7
Pendleton(1)	LAX	12	9

(1) Also applies in reverse direction.

Sundance proposes to initially have two schedules in each direction with the northbound trips departing SAN at 7:30 a.m. and 6 p.m. and the southbound trips departing LAX at 11 a.m. and 9:30 p.m. The transit times would be approximately three hours northbound and two hours and twenty minutes southbound. The one-way distances would be about 130 miles. One bus would be used for this operation, and most of the time it would be an MC-5A motor coach.

Sundance has three major shareholders, including its president and vice president/sales and promotions (vice president), and four minor shareholders. For federal income tax purposes, it is treated as an Internal Revenue Code (IRC) Sub Chapter S corporation, and as such, operating results are included in the returns of the individual shareholders and not a corporate return. State income tax returns are filed by Sundance.

Sundance leases a yard, shop, and office in San Diego which are located several miles from SAN. The company had two buses in 1978 and now operates six 41-passenger MC-5A, one 47-passenger MC-7, one 47-passenger MC-8, and one 46-passenger MC-9 motor coaches. All

(.S88)

are air-conditioned and equipped with restrooms, reclining seats, and other amenities. It will obtain three additional MC-9 motor coaches by early 1982 and plans to obtain three more motor coaches in 1982.

Financial data on behalf of Sundance were presented in evidence (Exhibit Sundance 1) by a certified public accountant (CPA). According to the CPA, the data he presented were without audit and based on representations furnished to him by management and a review of the journals, financial statements, and other working papers of Sundance's prior accountant, who was too ill to continue as the accountant. The following basic data are shown on the comparative balance sheet in the exhibit for June 30, 1981 and the same date in 1980:

	1981	1980
Assets	\$492,853	\$212,483
Liabilities	380,878	108,835
Stockholder's Equity	111,975	103,648

The following basic data are shown on the comparative income statement in the exhibit for the years ended June 30, 1981 and June 30, 1980:

	1981	1980
Operating Revenue	\$608,135	\$399,134
Operating Expenses	574,251	371,385
Operating Income	33,884	27,749
Other Income	5,733	1,695
Net Income, after State		
Income Tax	35,777	25,989
Cash Dividend (\$225/share)(1)	27,450	0
Retained Earnings, End of Year	35,288	26,961

(1) 122 shares of stock have been issued.

The CPA was extensively cross-examined on his exhibit and testified as follows:

1. Sundance has grown in 1981 over 1980 as evidenced by the increase in assets. Liabilities have likewise increased. This is primarily due to the acquisition of new equipment. Also, in 1981 operating revenue was substantially higher, net income increased by almost \$70,000, and retained

earnings increased by over \$8,000 after paying a stock dividend of \$27,450.

2. The financial statements were restated to correct errors in the company's original ones. The principal changes were: (1) to capitalize certain equipment and related debt that had been incorrectly recorded and (2) to reflect deferred interest, previously recorded as a current asset, as a reduction of related debt.

3. While current assets are approximately \$12,000 less than current liabilities and the ratio is less than 1, this does not mean that Sundance's economic condition is not viable. The \$27,450 cash dividend payment has had a temporary effect on this ratio and also on working capital.

The president of Sundance, who is in charge of the day-to-day operations of the business, including financial matters and dispatching, testified as follows:

1. He has been the financial advisor for Sundance since it commenced operations three years ago. The company's credit line has been increasing and is now over \$200,000 with one lending institution. Sundance has never had an operating loss and has always met its obligations.

2. With the equipment Sundance now has and the additional equipment it will obtain, it will have sufficient motor coaches for the services it is now authorized to provide and the service for which it seeks authority.

3. Most of the 1981 cash dividend by Sundance was paid to the president and vice president. They used this money to purchase the site at which the business is now located and lease it to Sundance. The company has arrangements with a Los Angeles-based carrier to handle necessary repairs or furnish backup equipment in that area.

4. Since commencing business in 1978, Sundance has operated 2,500 runs, operated nearly a million miles, and has had only two breakdowns where a bus had to be substituted. The last rating received by

Sundance from the Highway Patrol was A-1. It carries \$10 million in liability insurance.

5. Sundance's estimated Annual Income Statement for the first year of operations for the proposed SAN-LAX service (Exhibit Sundance

1-B) shows a net income, after state income tax, of \$42,840 which would result in a 24%

return on investment. This is based on the two round trips per day and an estimated 16 passengers per trip northbound, 14 from SAN to LAX, one from SAN to ORX, and one from SAN to Pendleton. The projection does not include any southbound passengers because

Sundance is not familiar with the market at LAX. Efforts will be made to develop this traffic. The estimated operating cost is

around 90¢ a mile.

The vice president explained that he is responsible for customer relations, developing new areas of business, and tour operations for Sundance. He testified as follows:

1. The recent controllers' strike and other factors have resulted in a considerable reduction of commercial flights serving SAN, including flights operating between SAN and LAX. Air fares have been increasing. Also, there is frequently fog in the morning and evening hours at SAN which at times cause the airport to be closed. Sundance has provided fog charters for airlines in both directions between SAN and LAX and also charters between these points for travel agents. Because of the cost, travel agents do not charter unless there are 15 passengers. Based on these factors and market research by the witness, which included contacts with travel agents in the San Diego area and airline personnel and conversations at SAN with LAX-bound air passengers, there is a public need for the proposed per capita service.

2. The service would be advertised through travel agents, at airports, and on radio and other media. Tickets would be sold by travel agents and on buses. Sundance would primarily use an MC-5A motor coach for the service and would add extra equipment to a schedule, if necessary. Because of the

- length of the trip, van equipment would not be comfortable for passengers.
3. Sundance has the necessary resources and line of credit to operate at a loss during the initial start-up period if such should occur.

Several of the applicants for the SAN-LAX route objected to Sundance's request for authority to provide this service. The proposed service between SAN and Pendleton was protested by Curtis. Curtis was granted a certificate to transport military personnel and/or their dependents and their baggage between SAN and the Pendleton Service Area using vehicles not exceeding 22-passenger capacity, including driver, and one additional vehicle with a capacity in excess of 22 passengers by D-89791 dated December 12, 1978 in A.58117, as amended by D-93074 dated May 19, 1981 in A.59950.

Sundance's vice president testified as follows in answer to cross-examination by the attorney for Curtis regarding the proposed SAN-Pendleton service:

1. Prior to filing the application, he did not know about Curtis' service. Upon becoming aware of it, he has noticed a large school-type bus at SAN with Bob's Ride painted on the side. The equipment Sundance would use would be more comfortable.
2. Curtis' schedule shows four round trips in the afternoon and evening hours and none in the morning. He has seen marines at SAN in the morning looking for transportation to Pendleton. Sundance would provide a morning trip.
3. There is now no direct common carrier passenger service from Pendleton to ORX or between Pendleton and LAX. Since Sundance proposes to provide this service on the SAN-LAX route and will be stopping at Pendleton, it is only logical that it serve between SAN and Pendleton. Sundance does not expect that it will handle many passengers between these points on its two proposed schedules. Service at Pendleton would be at the main gate only and not on the base. A local public transit system provides service into and on the base.

Because of a change in the hearing schedule, the attorney for Curtis was unable to present two members of the Marine Corps, one stationed at Pendleton, a sergeant and a corporal, as witnesses for his client. He has, however, furnished affidavits by each setting forth the information to which the affiant would have testified. Both are involved in the movement and transportation of troops. One is a passenger transportation clerk, and the other is a joint reception troop handler. According to the two affidavits, each has had an opportunity to observe the service provided by Curtis, which they have found to be prompt, reliable, courteous, inexpensive, and invaluable to Marine personnel traveling between SAN and Pendleton. Both asserted that Curtis has adhered to a regular schedule, they are not aware of any complaints against him, and they support a continuation of his service.

In its written closing statement, Sundance urged that it be authorized to provide the SAN-LAX route, including the proposed SAN-Pendleton service. It asserted that it has the financial ability, equipment, and experience to provide the service and that, based on its two schedules a day, its threat to Curtis would be, if anything, minimal.

The attorney for Curtis, in his written closing statement, pointed out that Public Utilities (PU) Code §4032 provides in part as follows:

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.

He argued that his client is providing a good and adequate service and meets the satisfactory test for an existing carrier. He asserted that this is clearly evidenced by the fact that the Marine Corps allows Curtis to both operate and have a ticket office on its base and by the two affidavits and letters from seven Marine Corps personnel attesting to the good and inexpensive service provided by

Curtis. The attorney explained that Curtis was providing only on-call service between December 1980 and June 1981 while he was waiting to have the restriction on his equipment size revised by the Commission and that since this was resolved, his client has provided both regularly scheduled and on-call service. He stated that Curtis is establishing a mid-morning schedule and operates on the base to and from the main installation where most personnel is stationed, which is 15 to 20 miles from the main gate. The attorney further argued that there is not sufficient traffic to support an additional carrier on his client's route, another carrier who had been certificated to serve this route has ceased operating, and the main gate has adequate service by Greyhound and Trailways from downtown San Diego. He urged that the request by Sundance or any other passenger stage operator to serve between Pendleton and SAN be denied.

3. A.60789--NRS, Inc.--(Fleetwood)
NRS has been in the passenger transportation business since mid-1980. It holds a passenger stage corporation certificate (PSC-1004), which was transferred to it from Daniel F. Stuart, doing business as Fleetwood Limousine Service, by D.92047 dated July 15, 1980 in A.59191, and a charter-party carrier of passengers permit. The certificate authorizes the on-call transportation of passengers and their baggage between SAN, on the one hand, and 18 communities and locations in San Diego County, on the other hand, including Oceanside, Fallbrook, and Escondido on the north. A restriction in the certificate limits vehicle size to 15-passenger capacity, including driver, for service for the seven communities that are located along Interstate 5 and Scripps Miramar Ranch.

NRS seeks the following additional on-call certificated passenger stage authority in this proceeding:

1. Between SAN, on the one hand, and San Clemente, San Juan Capistrano, Laguna Hills, San Pedro-Long Beach Harbor (SP-LB Harbor), ORX, LAX, and San Diego-La Jolla, on the other hand.

2. Between the 18 communities and locations in coastal and inland San Diego County NRS now serves, on the one hand, and SP-LB Harbor, ORX, LAX, Montgomery Field in San Diego, and San Diego Amtrak Railroad Station (SD Amtrak), on the other hand.

3. Between SD Amtrak and San Diego Visitor's Information Center (SDVIC Center), on the one hand, and SP-LB Harbor, ORX, LAX, San Clemente, San Juan Capistrano, and Laguna Hills, on the other hand.

The one-way fares per person range from \$11 between SAN and San Diego-La Jolla to \$42 between SAN, the 18 communities and locations NRS now serves, and SD Amtrak and SDVIC Center, on the one hand, and LAX, on the other hand. Fleetwood will require that reservations for the proposed service be made at least 48 hours in advance so that it can plan the most cost-effective use of its vehicles. Except for the routes entirely in San Diego County, there would be a five-passenger minimum for the proposed service. However, this minimum would not be enforced during the first 12-month, start-up period. Fleetwood anticipates that there would be two morning and one afternoon trips on the proposed routes during this period. The service would include the same home pickup and return now provided.

Dr. Silverman owns all of the shares of NRS. For federal income tax purposes it is treated as an IRC Sub Chapter S corporation with operating results shown on Dr. Silverman's personal return. In addition to operating Fleetwood, NRS also operates various other separate business, including livery and courier services and convention and travel businesses.

The corporate offices of NRS are in San Diego. Its Fleetwood operation is based in San Marcos, where it has facilities for its equipment, maintenance, and dispatching. It now operates six luxury 15-passenger-size vans which have been modified to carry 10 to 11 passengers and their luggage. Fleetwood also has two Cadillac limousines for charter. All vehicles have radio communication equipment. Should the sought additional authority be granted, it would, within three months, obtain three additional vans similar to the type now operated.

Dr. Silverman personally guarantees all debts of NRS and its business enterprises, including Fleetwood. The personal financial statement of him and his wife and letters from San Diego branches of Wells Fargo Bank and Southwest Bank included in Exhibit Fleetwood 1-A clearly establish that adequate funds are available to Fleetwood to establish and operate the proposed service. According to the projected income statement for Fleetwood for the year 1982 included in the exhibit, its net income, before state income taxes, is estimated to be \$95,986 which includes \$37,730 for its proposed service.

The following evidence was presented by the general manager of Fleetwood and by the director of marketing and the owner of NRS:

1. Fleetwood is now transporting, on the average, 60 to 80 passengers per day, in each direction, between the places it now serves and SAN. It operates 5 to 6 vans per day, each of which make 3 to 4 runs. In addition to providing service directly to customers' homes, it also provides service directly to businesses, hotels, and the like.

2. As evidenced by copies of various data reports of the county and the San Diego C&V Bureau included in Exhibit Fleetwood, the population, housing, and business in the county have been continually increasing over the past several years, particularly in the area of the county now served and sought to be served by Fleetwood, and the number of visitors to the county have likewise been increasing. Many of the visitors arrive by air or rail and need transportation to their hotels, motels, and other destinations. Also, the reduction in air service at SAN has further increased the need for the proposed service.

3. In its present operation, Fleetwood has a good working relationship with major hotels and travel agents. They favor the proposed service. Letters supporting the requested service have been received from some of them and from several businesses and the San Diego

- C&V Bureau, copies of which are attached to the application or included in Exhibit Fleetwood 1.
4. Fleetwood now receives 3 or 4 calls a day for service to LAX, many of which are for per capita service. It also receives similar requests for service to cruise line docks in SP-EB harbor area. It now provides charter service to these locations. The minimum cost for such a charter is \$200.
 5. Fleetwood has the ability to provide the proposed service and the financial resources to obtain any additional personnel, equipment, and facilities that may be necessary.
 6. At least twice a week Fleetwood receives a call for service from people who have not been picked up by Carroll. Its fares are higher than those of Carroll; however, since it provides home service and Carroll does not, its customers are willing to pay the difference. Also, at times the Travelers Aid at SAN will call Fleetwood for service to Pendleton when Curtis does not operate a schedule.
 7. While some of the other business enterprises of NRS are not profitable, Fleetwood was granted a fare increase by D.93522 dated September 1, 1981 in A.60663 and is making money.
 8. There is no per capita service similar to that proposed being offered to the public. This service would round out Fleetwood's operations. It is expected that there would be a balanced north-south demand for the service. Public convenience and necessity require that it be authorized.

Several of the other applicants objected to Fleetwood's proposal. Since Pendleton was not included in the additional sought service, Curtis did not protest the request. In her written closing statement, the attorney for Fleetwood argued that the evidence clearly establishes the need for the proposed service and urged that the application be granted. Two of the points that she emphasized were: (1) the proposed service is cost-effective because it would

not add any additional fixed station costs, and (2) the fares for the direct home service are high enough to break even at an average of five passengers per trip and are competitive with current alternative means of transportation.

4. A.60805--W. Carroll (Airport Stage Lines)

Carroll has been in the passenger transportation business for several years. He holds a passenger stage corporation certificate (PSC-1135) granted to him by D.92290 dated October 8, 1980 in A.59245, a charter-party carrier of passengers permit (TCP-1520-P), and authority from the Commission to transport small shipments. He is also the owner of San Marcos Taxi Cab Company and other transportation-oriented businesses. The certificate authorizes the transportation of passengers and their baggage and express not exceeding 100 pounds per shipment between SAN, on the one hand, and the Palomar Airport (near Carlsbad), Rancho Bernardo Territory, Escondido, Vista, Fallbrook, San Marcos, Penasquitos, Poway, Carlsbad, and Encinitas, on the other hand. Fleetwood serves many of these same communities and locations. However, Fleetwood provides a pre-reservation service direct to the customer's home, business, and the like; whereas, Carroll provides service to or from specified points in the locations he serves.

Carroll seeks the following additional certificate authority, as amended at the hearing, to transport passengers and their baggage and packages not over 50 pounds in weight:

1. Scheduled service with one round trip per day between Escondido, San Marcos, Vista, Carlsbad, and Pendleton, on the one hand, and LAX, on the other hand, with an intermediate stop at ORX northbound to discharge passengers and their baggage and express shipments and southbound to pickup passengers and their baggage and express shipments.
2. On-call service requiring a two-day advance reservation over: (1) the same route listed in paragraph 1, and (2) between the same San Diego County locations on this route, on the one hand, and LA-LB harbor area, on the other

hand (This is the same harbor area as requested by Fleetwood. San Pedro is in the Los Angeles harbor area.)

3. Add Pendleton as a point served on its present authorized Palomar Airport-San routes. The one-way fare per person for the proposed LAX or LA-LB harbor area service is \$20 and for the proposed ORX service is \$18. The fares would apply to both the scheduled and on-call services. The on-call service would not be provided for less than four passengers, which is the break-even load factor for the proposed service, or a minimum charge based on the fare for four passengers.

Carroll's business office and his facilities for garaging, maintaining, and servicing his equipment are in San Marcos. He owns two 1979 vans, an 11-passenger Ford and a 14-passenger Dodge. Generally, he alternates them in his present service with one as a backup. A third 22-passenger vehicle is being sought. He does not have a two-way radio communication system for his equipment. He now employs two drivers, and he and an office employee handle phone reservations and paper work for the business. He plans to use the new larger vehicle and hire an additional driver for the proposed service if it is authorized. Carroll requests that no restriction on equipment size be placed on any additional authority that might be granted to him.

In his present service Carroll now operates four round-trip schedules on weekdays and two on weekends. During the past month he has averaged four to five passengers per trip. There are more passengers to SAN than in the opposite direction.

Carroll's September 30, 1987 balance sheet included in Exhibit Carroll 1 shows assets of \$831,979, including \$758,350 in land and buildings and \$17,000 in cash designated for the business, liabilities of \$175,894, and a net worth of \$656,085. He testified that he has other assets but felt he had shown a sufficient amount on the balance sheet. His pro forma income statement for the first year

of operations with the additional sought authority, shows revenues of \$91,980, expenses of \$75,810, and gross income, before income taxes, of \$16,170.

The amendment to the application was presented in writing at the hearing and was adopted by Carroll as part of his direct testimony. Since the amendment was not filed in accordance with the Commission's Rules of Practice and Procedure, it is received in order as evidence as Exhibit Carroll-1-C.

Following is a summary of the additional evidence presented by Carroll:

1. Substantially all schedules for the SAN are operated. Generally, the only times schedules have not been operated has been when there were no passengers because of flight cancellations due to the air controllers' strike. He provides a prompt, courteous, and reliable service for his customers, and because of this, his present operation has developed into a successful business.

2. There are 402,000 people within a 20-minute drive of Carroll's home base in San Marcos. One travel agent in the area has 2,000 clients a month passing through LAX in each direction. It is estimated that 4,000 air travelers originate daily in Carroll's north San Diego County service area and that half of them use LAX.

3. Carroll has received approximately 200 requests for per capita service to LAX during the past two months. He has discussed the proposed service with travel agents and military personnel in his service area, and all supported his request. Support letters were received from 13 of the travel agents. He also received a letter from a Marine Corps sergeant with the Military Information Service Office at SAN stating that Curtis did not give reliable service to military personnel at SAN between January and May 1981 and that a competitive reliable service between SAN and Pendleton would be desirable. This letter was an unsigned copy on which Carroll had added a verified

statement that he had received the original signed copy but had misplaced it. and on that basis. Additionally, he received a letter from the manager of the Pendleton Scheduled Airlines Ticket office stating that the office has approximately 8,000 bookings through LAX yearly and that a direct service between the two locations is needed. Copies of these letters are included in Exhibit Carroll.

4. Carroll has provided charter service for travel agents to LA-LB harbor area. No one is now providing the direct per capita airport and harbor service he proposes. It differs from the services proposed by the other applicants for Corridor. As stated, Fleetwood would provide service to a person's home; whereas, Carroll would serve only a specified point in a community. Both Sundance and Pinetree would use large buses; whereas, he would use 22-passenger or smaller equipment, at least initially.

5. The proposed service would benefit the environment by reducing the number of private automobiles on the highways. The service would be advertised in trade publications and by brochures at airports and hotels. Tickets would be sold by travel agents and on buses.

6. Carroll has sufficient financial resources to initiate and operate the proposed service and to obtain any additional equipment and personnel that might be required. Public convenience and necessity require the proposed service.

In answer to cross-examination by the attorney for Curtis, Carroll explained that although he does not serve Pendleton, he does have a sign in the window of his vans stating "Camp Pendleton via Carlsbad" in large lettering and under this "NCTD Connection" in smaller easily readable lettering. He asserted that the reason for the sign is to inform people at SAN destined for Pendleton that his service connected at Carlsbad with the Northern Counties Transit District's (NCTD) bus route to Pendleton. The witness stated that both NCTD and the Marine Corps provide service within Pendleton. He

testified that he has had a meeting with an official of Pendleton regarding authority to serve within the base should he be granted the requested operating rights.

Several of the other applicants for similar authority in Corridor 1 objected to Carroll's application. Curtis had the same objections to Carroll's request to serve between Pendleton and SAN that he had to Sundance's request for this route. Additionally, in his written closing statement the attorney for Curtis asserted that the marine stationed at SAN to whom Carroll made reference had informed Curtis that he had never signed any copy of the letter included in Exhibit Carroll 1 and that the marine had been moved and could not be produced to so testify. The attorney attached to his closing statement a letter from a marine which stated he was picked up by Carroll's van at SAN and informed that he would be taken to Pendleton but that when the van arrived at Oceanside he was told he would have to take the city transit bus to Pendleton. Also attached to the application were statements signed by a cab driver and one of Curtis' drivers asserting they had not seen any of Carroll's vehicles at SAN between September 17 and 23, 1981.

In his written closing statement Carroll asserted that he had clearly established the need for and his ability to provide the proposed service and urged that his application, as amended at the hearing, be granted.

**B. Corridor 2 - Between City of San Diego
And Mammoth Resort Areas**

By A.60565 Sundance seeks an additional certificate of public convenience and necessity to transport passengers and their baggage in automotive equipment between 4750 Kearny Mesa Road in the City of San Diego and Mammoth Lakes recreation area (Mammoth) via the following highways: State 163, Interstate 15, and U.S. 395 northbound, and reverse of the same route southbound. The service would be provided on weekends only during the winter (ski) season from the first weekend after January 1 to the first weekend after April 30. A single schedule would be operated. It would depart San Diego

at 6 p.m. on Friday and arrive at Mammoth at 2 a.m. on Saturday, and it would return from Mammoth at 4 p.m. on Sunday and arrive back at San Diego at 11:59 p.m. that night. There would be a rest stop in each direction. The route distance is approximately 400 miles in each direction. The round-trip fare would be \$50. No one-way service would be offered. A passenger could lay over at Mammoth provided the passenger notified Sundance and space is available on the returning vehicle the passenger wishes to use.

The same financial and background data presented by Sundance in A.60523 (Corridor 1) apply also to this application. Sundance's estimated income statement for the first year of operation of the proposed San Diego-Mammoth winter weekend service (Exhibit Sundance 1-A) shows operating revenue of \$27,750 and a net income, after state income taxes of \$3,660. The expenses shown in the statement include an 8% inflation factor.

Following is a summary of the additional evidence presented by the president and the vice president of Sundance:

1. Sundance has had considerable experience in serving Mammoth on weekends during the winter season in its charter operations for travel agents and ski clubs. In 1979 it operated 44 round-trips and transported approximately 1,600 passengers. In 1980, these numbers were 74 and 3,200, respectively, and in 1981 they were 63 and 1,800, respectively. The drop in 1981 was due to a short snow season.
2. There are many individuals in the San Diego area who desire round-trip service to Mammoth on weekends for winter sports but do not have reservations on a charter. Sundance receives 25 to 30 calls per week from such individuals. It refers them to Kopecky which does provide a per capita weekend service. It does not refer them to Greyhound because it has no direct service and takes about 36 hours each way for the trip. Based on surveys, contacts with travel agents, and the letter dated September 14, 1981 sent to the Commission by Mono County Transportation,

Commission, there is a definite need for the proposed per capita service.

3. It is anticipated that initially one bus would be operated on weekends with a 35-passenger average load factor. Sundance has backup equipment should additional buses be needed. Sundance has the financial ability to provide the service. This run would account for approximately 5% of Sundance's overall operations and would be profitable.
4. The proposed service would be marketed through travel agents and ski clubs and shops. Advertising would include brochures at ski shops and perhaps radio spots. The Sierra Nevada Inn in Mammoth would make accommodations available for 32, and these would be sold by the ticket agencies.
5. It now costs between \$65 and \$110 for gasoline alone, depending on the size and age of the auto, to drive a private car between San Diego and Mammoth. The proposed service would reduce the number of such autos in the environmentally sensitive Mammoth area.
6. Public convenience and necessity require the proposed service.

A formal protest to the proposed service was filed by Kopecky on June 1, 1981. Kopecky has been in business for a number of years. It was incorporated in 1967, and prior to that time was operated by its president. The business holds a Class A charter-party carrier of passengers certificate and was granted a passenger stage corporation certificate in 1966 to provide the same type of weekend winter service between Mammoth and San Diego for which Sundance requests authority. Following is a summary of the testimony presented by its president:

1. Kopecky operates 18 buses and can make 12 available for the Mammoth winter weekend service. There has been an increase in the number and activity of ski clubs in the San Diego area in the past 15 years. Kopecky now operates seven to eight buses on this run during the winter season. However, only one

is under its stage certificate, and the balance are under charters to travel agents, ski clubs, church groups, or other bona fide organizations.

2. The per capita fares, which have not been increased since 1975, are \$34 round trip and \$18 one-way. Kopecky is considering a fare increase. The service is advertised in the telephone directory and by brochures at ski shops. The schedule is similar to the one Sundance would use. Lodging is arranged for those passengers wishing it.

3. When Kopecky inaugurated the per capita stage service, the patronage was poor. During the past five years, the bus has been full on only two weekends. Under present costs and fares, the bus must be operated at capacity for Kopecky to break even. Since this is seldom the case, the run has been losing money.

4. The number of per capita passengers per year for Mammoth is approximately 525. This is not nearly a sufficient number to support two operators. Both would operate at a substantial loss.

5. There is no need for the proposed service. Sundance's request to serve Mammoth should be denied.

In its written closing statement Sundance urged that its application to serve Mammoth be granted.

C. Corridor 3 - Between Bakersfield and Los Angeles International Airport

1. A.60598 - Pinetree Service Corp.

In Corridor 3 Pinetree requests authority to transport passengers and their baggage and also small packages not to exceed 50 pounds in weight between Bakersfield and LAX with no intermediate stops. The proposed passenger fare would be \$13 one-way with no minimum number per trip. The package rates would be the same as those proposed for its sought Corridor 1 service. Two schedules per day would be provided in each direction, an early morning and an early afternoon departure from Bakersfield and a midmorning and an early evening departure from LAX. The distance and transit time in

each direction are 120 miles and 2-1/2 hours, respectively. The origin and destination point in Bakersfield would be the Bakersfield Inn. Pinetree would lease an air-conditioned, reclining seat, restroom-equipped bus from its affiliate CCB, and the service would be operated in a similar manner to that proposed for the SAN-LAX route. Additional schedules and leased equipment would be added if needed.

The following evidence regarding this route was presented by Pinetree's executive vice president:

1. Both Kern County and Bakersfield have had substantial increases in population over the past 10 years, and according to projections this trend will continue. However, air service between Bakersfield and LAX has been drastically reduced during the past two years and has been inadequate for some time. Between 200 and 250 passengers per day now travel by available air and surface carriers between these points. An estimated 800 additional people travel by private rental, and company vehicles over this route each day. Pinetree's service would divert some of this latter group to public transportation.
2. Pinetree would actively promote its proposed service. It would budget around \$11,000 for this during the first six months start-up period and about \$1,000 a month thereafter.
3. There are obvious differences between the van service now provided by Sears and the large bus service Pinetree would provide. The potential market for public surface transportation between Bakersfield and LAX is of sufficient magnitude to support both services.
4. The witness contacted the Kern County Board of Trade, the Bakersfield Chamber of Commerce, all travel agents and some hotels in Bakersfield, and various businesses and industries in the Bakersfield and Los Angeles areas regarding their views concerning the proposed service. Generally, their responses supported the proposal.

5. As with the proposed Corridor 1 route, the pro forma income statement for the first six months of operation of the Corridor 3 route (Exhibit Pinetree 1-D) shows an operating loss of \$59,323, ranging from a loss of \$19,470 the first month to \$2,801 the sixth month. This is based on a passenger load factor per trip ranging from 10 the first month to 20 the sixth month. The break-even load factor of 25 passengers per trip would be reached by the seventh month. Once this is reached, the load factor and resulting profit would continue to increase. Pinetree has the financial resources to cover the initial loss and provide the service.

6. There is a public need for Pinetree's proposed service.

Three public witnesses testified in support of the proposed Corridor 3 route. All are officers in petroleum-related, waste disposal, and equipment maintenance companies. One of the three companies is a subsidiary of another company in which the president of Pinetree holds title to all of its stock. All have places of business in the Bakersfield and LAX areas. One also has facilities in Coalinga (100 miles northwest of Bakersfield) and in other states. The number of employees each has in Bakersfield ranges from 2 to 10. All have employees traveling between the Bakersfield and LAX areas. Because of the very limited air service, company vehicles or employees' autos are used for this transportation. They would prefer using the proposed service for their employees. Their estimates of use of the service varied from twice a month for three or four employees to once or twice a week for a single employee. All stated that Pinetree's terminal locations are convenient for them. One asserted Greyhound's Los Angeles terminal is too far away. None

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was aware of Sears' Bakersfield-LAX service. Two stated they could perhaps use his service but preferred nonstop service. One stated that having two carriers on this route could be beneficial to the public.

Protests to Pinetree's request to serve Route 3 were filed by Greyhound and Sears. Greyhound advised by letter dated September 9, 1981 that since Pinetree had limited its proposal to airport service only with no intermediate service, its protest is withdrawn. Motions to dismiss Pinetree's request were filed by Sears and verbally renewed at the hearing. In his protest and motions Sears pointed out that he has recently been certificated to serve this route and has spent a substantial amount of money in starting up the service. He asserted that there is not sufficient traffic to support two carriers. He also asserted that it is Commission policy not to license a new carrier in a market where service has just been commenced by a recently licensed carrier and cited our decision in Cosmo Sales and Leasing, dba Checker Airport Transport (Cosmo), D.92081 dated July 29, 1980 in A.59284, as authority for this assertion. Representatives of three of the six travel agents in Bakersfield testified on behalf of protestant Sears. According to the representatives, their companies do 65% to 70% of the travel business in Bakersfield. They pointed out that there are now only two flights a day by smaller commuter aircraft from Bakersfield to LAX and that Sears is satisfactorily fulfilling the needs for public surface transportation between the two places. All stated the vans operated by Sears are as comfortable as large buses. One sent several hundred clients to Sears last month for transportation to LAX, and most of these reservations were for round-trip transportation. The other two have similarly used Sears' service extensively. None have ever had a reservation request turned down or received any complaints regarding Sears' service. All are of the opinion that an additional carrier is not necessary. They are concerned that if another carrier is certificated, there would not be

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enough business for two and both would go out of business. All would sell tickets for Pinetree if its request is granted. Letters were also received by ABB from all of the six travel agents and the Bakersfield travel office of the California Automobile Association.

The president of ABB explained that while Sears was granted the certificate in May 1981 to operate the Bakersfield-Saugus-LAX route under his dba BAX, the actual operation of the business is by ABB under an agency lease arrangement with Sears. Following is a summary of the evidence he presented regarding this:

1. In June 1981 Sears obtained the necessary personnel, equipment, and terminal facilities in Bakersfield for the service. He also made the necessary arrangements with LAX. At this time he was personally responsible for all of the business debts.
2. ABB is a closed IRC Sub Chapter S corporation authorized to have a total of 10 shareholders. Its president is one of the shareholders and is also its chief financial officer and a director. He is also the vice president and chief financial officer of Pacific Bancorporation (PBC), a one bank holding company, and holds the same position with its three other subsidiaries; Pacific Bancorporation Financial Services, Pacific Bancorporation Data Systems, Inc. and PBC Venture Capital, Inc. Additionally, he is the senior vice president and chief financial officer of the bank, Community First Bank (CFB). The other nine shareholders of ABB are directors and/or officers of the parent corporation and/or its subsidiaries. The shareholders invested as individuals in ABB, and neither PBC nor any of its subsidiaries have any ownership interest in ABB. Sears is a director but not a shareholder of ABB and is also a vice president of PBC.
3. It was Sears' intent to involve investors in his passenger stage operation and set up a corporation. He contacted the 10 investors, and they were interested. The certificate of incorporation was issued to them in June 1981, and an agency arrangement was agreed upon between them and Sears. Service was commenced on July 3, 1981, and after this

date ABB assumed responsibility for all debts and funding of the business. A.60826 was filed in August 1981 for authority to transfer Sears' certificate to ABB in which event ABB would be the owner and operator of the business.

4. The agency agreement was reduced to writing and executed by the parties on July 10, 1981 (Exhibit Pinetree 1-L). The agreement, among other things, provided that: (a) because it would be confusing and costly to market and operate the company for a short time under the name BAX and then change it to ABB, the name ABB will be used for the business and shown on the equipment; (b) Sears would continue to operate the company; however, a management committee consisting of five directors of ABB, including Sears, will be formed to assist Sears in major decisions, such as equipment purchases, and to review the reports of daily operations; (c) ABB will pay salaries directly to Sears' employees; and (d) upon receipt of authorization from the Commission of Corporations and upon culmination of the IRC Sub Chapter S status of ABB on January 1, 1982, Sears will receive stock equivalent to a 15% interest in the company.

5. Tariffs and timetables have been filed with the Commission in the name of Sears, dba BAX (Exhibit Sears 1-0). The certificate of insurance is in Sears' name; however, ABB is shown on the insurance as the dba because this is the name shown on the equipment and under which the business is conducted (Exhibit Sears 1-N). The insurance company is aware of the agency relationship.

The president of ABB presented the following evidence regarding the operation of the service:

1. A substantial amount of capital has been invested in starting up the service. ABB's September 30, 1981 balance sheet for the first four months of operations shows assets of \$165,303, liabilities of \$263,864, including \$220,000 in long-term liabilities primarily for equipment, and an equity deficit of \$98,565. However, it has a line of credit from CFB of \$585,000 secured by

letters of credit to the 10 shareholders (Exhibit Sears 1-M). There have been \$370,000 in draw downs. It also has \$65,000 in investors' capital. Additionally, each of the investors are committed to the success of the business, and their combined networth is in the millions of dollars.

2. During this first four-month period, ABB had sales of \$142,971 and a net loss of \$148,561. This start-up loss was expected. The patronage has now increased to 150-160 passengers per day, and this number should continue to increase to 210-230 per day by January 1982 at which time the operation would no longer be losing money. After this point the patronage should further increase and the company should earn more money each month. By the end of 1982 all initial losses should be recouped, and from then on the business should be profitable.
3. On August 3, 1981 ABB increased its daily schedule to 8 round trips. ABB's stop in Saugus is at Magic Mountain which is an amusement and recreational park operated by the Six Flags Corporation. With the closure of Magic Mountain on weekdays after Labor Day, only one trip in each direction stops there on weekdays and three southbound and four northbound on weekends and holidays. All others are nonstop between Bakersfield and LAX. Bakersfield-LAX nonstop service takes approximately 2-1/4 to 2-1/2 hours. A stop at Magic Mountain adds 3 to 5 minutes.
4. The one-way fare from Bakersfield to LAX is \$20 and to Magic Mountain is \$10. Children are one-half fare. ABB does not plan to increase the fares. Free parking is provided for customers at the Bakersfield terminal. Initially it directed its solicitation to businessmen but found that they preferred flying. It then undertook a major advertising campaign in the news and radio media and in travel publications directed to the general traveling public. This has cost at least \$20,000 so far. Tickets are sold by travel agents. Its seven 16-passenger buses are custom equipped with reclining seats, air-conditioning, and a stereo sound system.

Passengers can stand in them. ABB is now obtaining three 42-passenger, 1969 Eagle 07 buses. They have restrooms and the same amenities as the vans. They will be used for the peak morning and afternoon runs. ABB has no plans at this time to purchase any additional equipment.

5. The president estimated the total number of potential passengers per day for air carrier and bus service between Bakersfield and LAX to be 742. He based his estimate on 1980 passenger data obtained from Meadows Field Airport in Bakersfield, information from local travel agents, and his own projections. With the buses it is acquiring, ABB will have 568 seats available on its eight round trips. Golden West Airlines, the only air carrier now operating between the two points, has 192 seats available on its two round trips. The total seats for the two is 760. According to the witness, a new jet airline is soon to inaugurate two daily round trips on this route and will add another 380 seats for a total of 1,140 for both directions. The president pointed out that even assuming a 50% increase in his estimate of potential daily patronage to 1,113, there would be sufficient seats to accommodate this number. He asserted, however, that the more realistic estimate of potential daily patronage for these carriers is 742 passengers per day in both directions.

6. According to Exhibit Sears 1-G, ABB transported 7,712 passengers and had an average load factor of 35.9% during its first three months of operations through September 1981. Excluding the fourth week of September, there was, with some exceptions due to vacations and holidays, a steadily increasing trend in patronage and load factor, ranging from 188 and 10.2% respectively, to 793 and 44.2% respectively. During the fourth week of September there was a jump in patronage and load factor to 1,369 and 76.4% respectively. A significant factor causing this increase was the termination at this time of Bakersfield-LAX service by Swift Airlines. Even with this added patronage,

ABB has empty seats. On peak schedules, it has always added an extra bus when necessary to accommodate demand. It has never refused a reservation. With the 42-passenger equipment it is acquiring, it will be able to accommodate any future increases in demand that may arise. An additional bus carrier on this route would seriously dilute the available market with a resulting adverse effect on ABB's financial position.

In his written closing statement, the attorney for Pinetree questioned the standing by either Sears or ABB to protest his client's request for this route. In this regard, he argued that the certificate was granted to Sears who turned over the operation to ABB without prior authority and that ABB has been providing a passenger stage service without the required Commission authority. Additionally, he asserted that there are differences between the all nonstop large bus service proposed by Pinetree and that now provided by Sears and that there is a sufficient public need to support both services. He urged that his client's request to serve this route be granted.

The attorney for ABB in his written closing statement argued that the evidence clearly establishes that his client has the capacity to adequately serve all present and future public demand for service on this route. He asserted that public convenience and necessity do not require an additional carrier. He emphasized that the investors in ABB have committed a tremendous amount of money in cash and guarantees to the success of the operation and that they are all local businessmen who are determined to perform a needed full service bus operation for their community. He stated that although ABB's fare is \$20 and Pinetree's proposed fare is \$13, ABB provides eight round trips per day, some of which are at off-peak hours, while Pinetree offers only to skim the peak hour traffic. He argued that this would be outrageous and urged that Pinetree's request be denied.

ABB has empty seats. On peak schedules, it has always added an extra bus when necessary to accommodate demand. It has never refused a reservation. With the 42-passenger equipment it is acquiring, it will be able to accommodate any future increases in demand that may arise. An additional bus carrier on this route would seriously dilute the available market with a resulting adverse effect on ABB's financial position.

2. A.60430 -- Rehearing D.93117

Application 60430 was filed by Sears on April 10, 1981 and requested authority to transport passengers between LAX, on the one hand, and Bakersfield or Magic Mountain, on the other hand. The application was amended on May 4, 1981 to delete the restriction that passengers must originate or terminate at LAX and authorize service between the three points, including service between Bakersfield and Magic Mountain. The application, as amended, was granted by D.93117 dated May 19, 1981. The request for rehearing of the decision was filed by Greyhound on June 17, 1981. In its filing Greyhound asserted: (1) it did not protest the original application which was restricted to airport service only; (2) the May 4, 1981 amendment broadened the application to allow service between all points; (3) it filed a protest to the amended application on June 3, 1981; (4) its protest was returned to it by the Commission's Docket Office with a statement that the application, as amended, had been granted on May 19, 1981 by D.93117 and the matter was closed; (5) the decision was issued prior to the expiration of the 30-day time period provided in Rule 8.3 of the Commission's Rules of Practice and Procedure for filing a protest; and (6) because of this, rehearing should be granted. D.93464 dated August 18, 1981 granted the rehearing but did not stay D.93117 which was effective on the date it was issued. Evidence on behalf of Greyhound was presented by its district manager for certain territory north of Los Angeles, including Bakersfield and Magic Mountain. According to his testimony Greyhound's protest to ABB's authority was to the Magic Mountain service and in particular to the Bakersfield-Magic Mountain service. Greyhound has extensive operating authority in the State, including authority to serve between Bakersfield, Magic Mountain, and Los Angeles. It has 1,918 intercity buses licensed in California, all of which are air-conditioned with reclining seats, restrooms, public address systems, and various other amenities. It has terminals, backup equipment, and extra on-call drivers at both Bakersfield and Los Angeles. Greyhound has provided scheduled

service at Magic Mountain since it opened nine years ago. During the present off-season for Magic Mountain, while it is open on weekends and holidays only, Greyhound is operating four southbound and two northbound schedules between Magic Mountain and Bakersfield and various schedules with intermediate stops between Magic Mountain and Greyhound's Los Angeles terminal. An additional schedule in each direction is to be added between Bakersfield and Magic Mountain.

Following is a summary of the additional evidence presented by the district manager:

1. By letter to the witness dated October 9, 1981 (Exhibit Sears 1-2), the tour and travel was a sales manager for Magic Mountain stated that Greyhound has provided reliable service to tourists to the park and has promoted the park in brochures and posters. She also stated that for the year to date Greyhound sold 17,586 package plans to the park. These were from numerous origins throughout the United States.
2. During July and August 1981, Greyhound sold 10 one-way and 116 round-trip tickets between Bakersfield and Magic Mountain. This is approximately 6% less than ticket sales for the same two months in 1980. The fares are \$6.30 one way and \$12.10 round trip. The one-way distance and transit time are about 85 miles and one hour and 45 minutes, respectively. Greyhound also sold numerous regular and excursion tickets from Los Angeles and surrounding areas for Magic Mountain during this period. Greyhound does not serve LAX. Anyone wishing to use its Los Angeles service to Magic Mountain from LAX would have to take the Airporter Bus from LAX to Greyhound's terminal.
3. Greyhound spent approximately \$6,729 in 1980 on brochures and posters advertising its service to the various amusement parks operated by Six Flags in various parts of the United States, including Magic Mountain. The amount of this attributable to advertising the Bakersfield-Magic Mountain service would not be significant.

4. Greyhound's schedules serving Magic Mountain also serve various beyond points. As shown in Exhibit Sears 1-AE, Greyhound had a substantial number of empty seats leaving Bakersfield southbound and Los Angeles northbound on these schedules.

In summing up Greyhound's position, the district manager testified that Greyhound has the capacity to adequately meet the needs of the public for Magic Mountain service. He asserted that 40% of Greyhound's service is operated at a loss and that needed revenue from this service to help offset this loss should not be diverted to a new carrier. Greyhound urged that the authority to serve Magic Mountain granted to Sears by D.93117 and operated by ABB be rescinded.

Most of the evidence presented by ABB regarding its operation of Sears' authority is set out above in the recitation of its protest to Pinetree's request to serve between Bakersfield and LAX. In addition, the president of ABB testified that a concerted effort has been made through its advertising campaign and with local travel agents to promote its Bakersfield-Magic Mountain service. He stated that his company has a good relationship with Magic Mountain and during a promotion period sold vouchers for it. As shown in Exhibit Sears 1-G, the total number of passengers transported by ABB to and from Magic Mountain in July and August was 504. The witness explained that very few Magic Mountain passengers originate at LAX and that substantially all of this number traveled on round-trip tickets from Bakersfield. He testified that with the closure of Magic Mountain on weekdays after Labor Day, there has been a seasonal decline in the number of passengers to it. He asserted that there is a public need for ABB's Magic Mountain service.

The tour and travel sales manager of Magic Mountain testified on behalf of ABB. She stated that Magic Mountain advertises extensively in the Bakersfield area, primarily by radio. The witness testified that there is an arrangement with ABB for it to sell Magic Mountain vouchers to its passengers, and ABB is billed monthly for the number sold. She stated that ABB's service is good.

She explained that ABB promotes Magic Mountain and Magic Mountain promotes ABB. In answer to cross-examination by Greyhound's attorney, the witness testified that her company has the same voucher arrangement with Greyhound and that Greyhound gives a good service to Magic Mountain.

In his written closing statement, ABB's attorney argued that ABB has not diverted any of Greyhound's patrons to its service but has developed new traffic by its aggressive advertising and a marketing campaign. He urged that Greyhound's protest be disregarded.

3. A.60826 - Airport Bus of Bakersfield, Inc.

By this application, ABB has requested authority to acquire the certificate granted by D.93117 to Sears. Additionally, ABB requests that authority to provide small package express service be added to the certificate. The application asserts that ABB has the necessary financial resources and ability to provide the proposed service and that the transfer would not be adverse to the public interest. By its A.60772 ABB also requested a Class B charter-party carrier of passengers certificate from its home terminal in Bakersfield using equipment with passenger seating capacity not exceeding 16. (This certificate was granted by D.82-02-123 dated February 17, 1982.) Evidence relating to the background, financial ability, and fitness of the parties, to the relationship between them, and to the manner in which the business has been operated has been recited above and need not be repeated.

Both Greyhound and Pinetree contend that ABB is and has been operating Sears' certificate without the required authorization from the Commission to do so. Because of this asserted illegality, it is their position that not only should the transfer be denied but the certificate granted to Sears should also be revoked.

The attorney for ABB argued that irrespective of what the Commission's ultimate determination might be with respect to the Sears-ABB agency relationship, there is simply no evidence whatsoever

to the effect that the public interest has been placed in jeopardy because of this. He asserted that the fitness of the two has not been shown to be questionable. With respect to the request for package express authority, the attorney explained that ABB is now carrying such express which has a prior or subsequent movement by air carrier and is not subject to regulation. He stated that two Bakersfield companies have requested ABB to carry small packages of machine parts and equipment to LAX for pickup there by their branch plants located nearby. It is for this traffic, which will account for only a very small amount of the total, that the request has been made. The attorney urged that the transfer be authorized and the package express authority be granted.

IV. Discussion

A. Preliminary Statement

The evidence and positions of the parties have been adequately summarized above and will not again be set forth in detail in our discussion. The applications will not be discussed individually. They will be grouped together according to the particular corridor or corridors sought to be served.

The major issues to be considered in any request for a passenger stage certificate are whether public convenience and necessity require the proposed service and the applicant's knowledge and experience in the passenger bus field, its financial ability to initiate and provide the proposed service, and its fitness. If there is an existing passenger stage operator in the territory sought to be served, an additional issue is whether such carrier is providing service satisfactory to the Commission. In determining the need satisfaction of service differences in the proposed and existing

services will be considered. In a request to transfer a certificate, a primary issue is whether the proposed transfer would be adverse to the public interest.

B. Corridor 1 - Between San Diego and

Los Angeles International Airport Areas

Pinetree in A.60598, Sundance in A.60523, NRS in A.60789, and Carroll in A.60805 each request authority to provide passenger stage service in this corridor. Additionally, Pinetree and Carroll seek authority to transport small express packages not exceeding 50 pounds in weight. Upon the withdrawal by Babcock of his A.60818 and assurance that NRS and Carroll would not directly compete with the passenger stage services they are providing, 24-Hour Express, Inc. and Airport Service, Inc. withdrew as protestants. Except for the protest by Curtis to the requests by Sundance and Carroll for authority to operate between Pendleton and SAN, there are no other protests to any of the other requests other than the objection by each applicant to the others.

While there are both similarities and differences in the specific points sought to be served by each, all four applicants request authority to serve between some locations in the coastal and inland San Diego and southern Orange Counties area, on the one hand, and LAX, the cruise ship piers in the LA-LB harbor area, and/or ORX, on the other hand. None seek authority to provide local service between LAX and ORX. Sundance and Carroll also request authority to serve between Pendleton and SAN. Additionally, NRS requests authority to provide the following service within San Diego and Orange Counties: (a) Between SAN, on the one hand, and the City of San Diego-La Jolla, on the other hand; (b) between SAN, the Amtrak Railroad Station, and the Visitors Information Center in the City of San Diego, on the one hand, and San Clemente, San Juan Capistrano, and Laguna Hills, on the other hand; and (c) between the 18 San Diego County points it is now authorized to serve in connection with its SAN service, on the one hand, and Montgomery Field and the Amtrak Railroad Station in the City of San Diego, on the other hand.

We will first consider the requests to serve LAX, the LA-LB harbor area, and ORX. The evidence clearly demonstrates a public need for direct passenger stage service between these points, on the one hand, and the various locations in San Diego and Orange Counties sought to be served by the individual applicants, on the other hand. In this connection, the evidence establishes that:

1. There is now no direct passenger stage service for the individual traveler between these points. The only direct bus service that does exist is by way of volunteer bus charter, and the cost of such service is generally prohibitive to the individual traveler.
 2. While there is passenger stage and rail stage service in Corridor 1, an individual wishing to use per capita ground service between these points would be required to make numerous connections. This would be extremely inconvenient and time-consuming.
 3. There has been and continues to be significant increases in both population and tourism in the areas of San Diego and Orange Counties; the four applicants would serve, and in particular in and around the City of San Diego.
 4. There have been substantial reductions in both domestic and foreign commercial air service at SAN, including local SAN-LAX service. Now numerous air travelers between the area of San Diego-Orange Counties in question and places outside the state must use LAX for their flights. Because of the reduced SAN-LAX air service, many of these are now using private or rental autos for their transportation to and from LAX.
- The next matter for discussion is the experience, financial ability, and fitness of the four applicants. The evidence clearly shows that all are experienced operators in the passenger bus and transportation fields. NRS took over its Fleetwood business from an existing operator over 15 years ago and owns other transportation businesses. The other three have each been in business for several

or more years. Pinetree and Sundance each hold Class A charter authority, a sightseeing passenger stage certificate, and ICC charter and special operations rights. Both operate large intercity buses. NRS and Carroll each have passenger stage authority to serve between SAN, on the one hand, and various points in western San Diego County, on the other hand, and also charter permit authority. These two would operate van-type equipment. Carroll intends to obtain a 22-passenger vehicle. Based on the economic data presented by each, all four of applicants have the necessary financial ability and backing to initiate and operate the service they propose. Pinetree and its subsidiaries have a net worth of \$1,808,932. Sundance has a net worth of \$429,853. The owner of all of the stock of NRS, which is an IRC Sub Chapter S corporation, and Carroll each have a significant net worth and have guaranteed the operations and debts of their respective passenger stage companies. All assert that their present passenger operations are successful. According to the pro forma financial data presented by them, the service proposed by each would, after the initial start-up period, be profitable. For this service, Pinetree would lease the necessary equipment from its affiliate, and Sundance, NRS, and Carroll would obtain any additional equipment that may be necessary. All have existing terminal facilities in the area they would serve.

With respect to the fitness of each of the four applicants, we look at a number of considerations. Generally, it is based on the past record of an applicant. If it has engaged in illegal operations or has, with some degree of regularity, failed to provide service in accordance with its published and filed timetables, such matters would weigh heavily in a determination of this issue. There is nothing in the record before us that would raise any serious doubt regarding the fitness of Pinetree, Sundance, or NRS. As to Carroll's fitness, he did admit that initially he served Pendleton under the mistaken belief that he had the right to do so. He asserted, however, that upon being informed by the

Commission staff that his authority did not include Pendleton, he immediately stopped. Also, there is some evidence that Carroll did fail to pick up passengers on his routes at times and that the no Pendleton sign on his equipment may give the public at SAN the impression that he serves the Marine Corps base. In answer to this, he explained that he has missed very few of his scheduled runs, and this has only occurred when airlines have canceled flights at SAN and there were no known passengers for the particular scheduled runs. He further explained that although word sizes vary on his Pendleton sign, it is his opinion that it is easily readable and clearly informs people that they can take his service from SAN to Carlsbad and connect there with NCTD service to Pendleton. We will accept Carroll's explanation that he has never knowingly either failed to pick up passengers for any scheduled trip or misled the public regarding his service. We will, therefore, based on this interpretation of Carroll's intent, conclude that there is sufficient mitigation regarding his past actions and that they do not in and of themselves establish him to be an unfit operator. However, Carroll is placed on notice that it is his duty as a passenger stage carrier to operate all trips shown on the schedules in his filed timetables, and the fact that he may believe there will be no passengers for a particular trip does not excuse him from this obligation.

Having determined that public convenience and necessity does exist and there is nothing in the record to seriously question the ability and fitness of any of the four applicants, we come now to the question of the extent to which any or all of the requests to serve LAX, the cruise piers, and/or ORX should be granted.

We are of the opinion that the requests by Pinetree and Sundance to serve in Corridor 1 should be granted. As stated, both are large intercity bus operators. The service proposed by both is primarily an inter-airport service between SAN and LAX. Each would serve different intermediate points, Carlsbad and San Clemente with

and we recommend that the requests be granted, reviewed, and approved.

no local service between the two by Pinetree and Pendleton and ORX and northbound and Pendleton southbound with no local ORX-LAX service by Sundance. It is the intent of each to initially operate two round-trip trips per day. No existing passenger stage corporation provides a similar service. According to the market data of record for this road corridor, there should be sufficient business to support both local and long-distance services. Furthermore, competition will generally result in a more superior overall service for the public and have a direct bearing on rates.

We are of the opinion that the requests by Carroll and NRS should be granted. These are the only two that would serve the non-cruise line piers in the LA-LB harbor area. NRS would provide a deluxe luxury van-type service requiring a two-day advance reservation directly to the customer's home, business, or other similar location. Carroll would operate either van-type equipment or a 22-passenger vehicle. He would provide a single daily round-trip service schedule to and from LAX and ORX and also a two-day advance reservation service to and from the two airports and the harbor area. Carroll would serve only at specified points in a community, and customers would have to provide their own means of transportation between this point and their home, business, or other such location. The services proposed by both NRS and Carroll differ significantly from each other and from the large inter-city bus services proposed by Pinetree and Sundance.

We are authorizing Sundance and Carroll to provide the local Pendleton-LAX, ORX, and LA-LB harbor area service each proposes. As stated both also request authority to serve between Pendleton and SAN. Curtis, an existing passenger stage corporation now serving between Pendleton and SAN, strongly opposes the two requests. In such circumstances PU Code §1032 requires that we make a formal

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no local service between the two by Pinetree and Pendleton and ORX and northbound and Pendleton southbound with no local ORX-LAX service by Sundance. It is the intent of each to initially operate two round-trip trips per day. No existing passenger stage corporation provides a similar service. According to the market data of record for this west corridor, there should be sufficient business to support both of these services. Furthermore, competition will generally result in a more superior overall service for the public and have a direct bearing on rates.

We are of the opinion that the requests by Carroll and NRS should be granted. These are the only two that would serve the non-cruise line piers in the LA-LB harbor area. NRS would provide a more luxury van-type service requiring a two-day advance reservation and go directly to the customer's home, business, or other similar location. Carroll would operate either a van-type equipment or a 22-passenger vehicle. He would provide a single daily round-trip service scheduled to and from LAX and ORX and also a two-day advance reservation service to and from the two airports and the harbor area. Carroll would serve only at specified points in a community, and customers would have to provide their own means of transportation between this point and their home, business, or other such location. The services proposed by both NRS and Carroll differ significantly from each other and from the larger inter-city bus services proposed by Pinetree and Sundance.

We are authorizing Sundance and Carroll to provide the local Pendleton-LAX, ORX, and LA-LB harbor area service each proposes. As stated both also request authority to serve between Pendleton and SAN. Curtis, an existing passenger stage corporation now serving between Pendleton and SAN, strongly opposes the two requests. In such circumstances PU Code §1032 requires that we make a special

ad hoc determination as to the propriety of such service.

As such, we are hereby ordered to suspend the proposed service between Pendleton and SAN until such time as the parties can agree on a mutually acceptable arrangement.

PU Code § 1032 is not a bar to authorizing Carroll and Sundance to serve between Pendleton and SAN. Sundance's service is materially different with respect to pickup points. We will allow Carroll to compete with Curtis because Curtis' service would otherwise be monopoly service and, accordingly, not service to our satisfaction (see American Buslines, Inc., D.91279, writ of review denied). Certifying Carroll to serve this route will ensure those at Pendleton will be served by carriers which have maximum incentive to offer schedules and service tailored to their customers' needs in order to attract patronage.

Again, there are sufficient differences between the service proposed by Sundance and that provided by Curtis so that PU Code § 1032 is not applicable to Sundance's request. As indicated above Sundance would serve the main gate only as an intermediate point on its LAX-SAN route; whereas, Curtis operates only between the two places and serves on the base. Anyone using Sundance's main gate service would have to use other means of transportation on the base. Curtis has four round trips a day and is adding a fifth. Sundance will have only two initially, and it is unlikely that for the foreseeable future this would be increased to a significant number. Irrespective of whether Sundance is or is not authorized to serve between these points, it would be stopping at the main gate northbound on its route to pick up any passenger for LAX or ORX and southbound to discharge any passengers from LAX. Since it will be required to stop at the main gate, it would not be in the public interest to prohibit it from picking up passengers at SAN desiring transportation on its vehicle to the main gate and vice versa. It should be allowed to serve the public need that does exist for its proposed service between the two points. Sundance's request to serve between the main gate at Pendleton and SAN in connection with LAX-SAN

service will be granted. The authority to be granted will not allow Sundance to operate a separate Pendleton-SAN route.

We come lastly to the request by NRS to provide additional service in the western part of San Diego and southern Orange Counties. As with its present service, this would also be a luxury van-type service requiring a two-day advance reservation. As the evidence establishes, population and tourism in this area has been increasing at a significant rate. A satisfactory showing of public convenience and necessity has been made. There were no specific protests to this part of its application. The request will be granted.

In summary, we will grant in its entirety the authority requested in Corridor 1 by Pinetree in A.60598, by Sundance in A.60523, and by NRS in A.60789. As to Carroll's A.60805, we will grant his request to add Pendleton to his present SAN certificate and grant the balance of the authority he requested in this corridor. Pinetree's request in A.60598 to serve between Bakersfield and LAX is discussed below. No additional authority was sought in the other three applications.

C. Corridor 2. - Between City of San Diego and Mammoth Resort Area

Sundance requests authority in its A.60565 to provide a special and limited passenger stage service designed for a particular segment of the public. Specifically, it requests authority to provide a weekend service for skiers from a specific location in the City of San Diego to Mammoth and return, leaving early Friday evening and returning late Sunday night, during the January to April winter season. During the past three years it has operated many charter buses to Mammoth on weekends during the winter season for travel agents and ski clubs. It certainly has the experience to provide the sought service. We have made an affirmative determination of its financial ability and fitness in our above discussion of its A.60523.

Protestant Kopecky has held similar authority to that sought by Sundance for a number of years. It asserts that it is providing good service and adequately meeting the needs of the public on this route. It is its position that since it is providing satisfactory service, PU Code § 1032 prevents the certification of another passenger stage corporation to operate the same service. We do not agree.

The service that Kopecky is providing and which Sundance would provide, if authorized, is a recreation-oriented service designed primarily for weekend skiers and is operated only during the winter sports season. While strictly speaking it is not a sightseeing tour service, it is far more akin to such luxury service than to essential regular point-to-point transportation. Generally, sightseeing service is round-trip transportation for the purpose of viewing sights or other attractions. While Kopecky offers both one-way and round-trip service, it is obvious that most customers would use its service on a round-trip basis. Sundance would offer round-trip service only with stop-over privilege. The purpose of both services is to transport people to a resort area to participate in an attraction, namely winter sports, and then return them to the origin of the trip.

In a number of recent decisions we have consistently held that monopoly service in the sightseeing field tends to create unsatisfactory service to the public and that competition between sightseeing carriers has a direct positive bearing on quality of service, rates, schedules, and operational innovations generally. (See O'Connor Limousine Service, Inc., D.90154 in A.56580 and Mexcursions, Inc., D.90155 in A.57763, both dated April 10, 1979.) This same reasoning regarding the satisfactory service test of existing carriers is applicable to the particular type of special service here. Having so determined, the existing carrier provision of PU Code § 1032 is not a bar to our consideration of Sundance's request.

We come now to the issue of whether public convenience and necessity require the proposed service. According to Sundance, it receives 25 to 30 requests each week during the winter for per capita weekend service to Mammoth and return. Its vice president testified that based on its surveys and information from travel agents and the Mono County Transportation Commission, there is a public need for its service. According to Kopecky, while there has been an increase in the number and activity of local ski clubs and it operates numerous charter buses to Mammoth on winter weekends, only one bus is operated under its passenger stage certificate, and this bus has been full only twice in the past five years. It is Kopecky's position that there is not sufficient per capita demand to support two passenger stage operators.

We recognize that the evidence presented by Sundance regarding public need is not extensive. Nonetheless, according to this evidence, there are number of individuals who would use its per capita weekend service to Mammoth during the winter. We are of the opinion, based on the particular facts and circumstances, that it has been sufficiently established that public convenience and necessity require the proposed service. The application will be granted.

Corridor 3 - Between Bakersfield and Los Angeles International Airport

In our discussion of the three applications concerned with Corridor 3, we will first take up the rehearing of D.93117 in Sears' A.60430 granted by D.93464. This will be followed by a discussion of ABB's A.60826 and then Pinetree's request in A.60598 to operate in this corridor.

In A.60430, Sears was granted a certificate to provide passenger stage service between Bakersfield, Saugus, and LAX. As the record shows the rehearing requested by Greyhound was granted on procedural grounds. D.93117 was granted less than 30 days after an amendment had been filed, and a protest by Greyhound after the decision but within the 30-day period provided in the Commission's rules had not been accepted.

Greyhound's concern with the certificate granted Sears is principally with the authorization to provide service between Bakersfield and Magic Mountain at Saugus which Greyhound also provides. While there may be some passengers traveling between the two points for other reasons, the substantial majority of the passengers are customers of the Magic Mountain amusement park. This is primarily a recreation-oriented service. For the same reasoning stated in our discussion of Sundance's A.60565 Mammoth request, the existing carrier provision of PU Code § 1032 is not in and of itself a prohibition to the certification of Sears to operate between the two points.

As the evidence shows, the actual operation of the authority granted Sears is by ABB under an agency lease arrangement with him. Both Greyhound and Pinetree question the propriety of this arrangement. However, before taking this up, we will first consider the public convenience and necessity issue under Sears' certificate.

The record establishes that a public need does exist for service under Sears' certificate between Bakersfield and Magic Mountain. In its operation of the service, ABB has promoted Magic Mountain through travel agents and the advertising media. Magic Mountain has joined in some of this. As a result a public demand for its service has been stimulated. Greyhound, on the other hand, does have empty seats between the two points. It is its position that needed revenue from this route to offset losses on other routes it is required to serve should not be diverted to another carrier. The evidence, however, does not establish that there has been any meaningful decline in the number of passengers handled by Greyhound in this service this year when compared with last year. It is apparent, therefore that the traffic handled by ABB has been developed primarily through aggressive marketing and advertising and not through diversion of passengers from Greyhound. Furthermore, the record does not establish that any revenue loss Greyhound might have is attributable solely to ABB.

The evidence clearly shows that ABB has the necessary personnel, equipment, facilities, financial ability and backing, and experience to conduct the passenger stage business it has operated under the lease arrangement with Sears since July 1981. The evidence further shows that when he obtained his certificate in June 1981, Sears had the necessary financial resources and backing to initially obtain the personnel, equipment, terminal facilities, and make the necessary arrangements with LAX to serve there.

The last matter for discussion on the rehearing is the fitness issue. Sears was found to be a fit person when the certificate was granted to him. The question in issue is whether because of the lease arrangement, either or both Sears and ABB are unfit and the certificate granted to Sears should be revoked. Our answer is that neither has been shown on this record to be unfit and that D.93117 and the certificate granted to Sears by this decision should be affirmed.

The chronological events that have occurred with Sears certificate from issuance, to lease arrangement with ABB, to its present operation are detailed above in our recitation of the evidence. When Sears obtained his certificate and set up his passenger stage business, it was his intent to incorporate it and involve other investors. He did involve investors but they set up their own corporation, ABB, in which he was made a director but was not a shareholder. He thereupon entered an agency lease arrangement with ABB whereby it operated his passenger stage business. Sears had some voice in the operation but not control. All of this was without Commission authority. Tariffs and timetables were filed with the Commission in Sears' name. Also, insurance was in Sears' name. Sears is to become a 15% shareholder in ABB. The name ABB is shown on the equipment. On August 18, 1981, A.60826 to transfer Sears' certificate to ABB was filed.

It is apparent that the agency lease arrangement resulted in a transfer of control of Sears' operating rights to ABB without Commission approval. However, it does appear that this was a good

faith transaction between the parties and that there was no intent by either to violate any regulations governing passenger stage corporation sales corporations. Furthermore, an application has been filed to authorize the transfer. Additionally, as the evidence shows Sears and ABB have invested time, money, and commitment in establishing the business and no adverse effect to the public has resulted from the arrangement. While we have found the fitness of Sears and ABB not to be in question on this record, both are placed on notice that it is the duty of any holder of a passenger stage corporation certificate to be knowledgeable of and comply with all rules and regulations governing such certificates and operations conducted under them.

Having determined on rehearing that the certificate of Sears should be affirmed, we come next to the request in A.60826 to transfer it to ABB. As stated ABB has been operating the business and has the necessary equipment, personnel, facilities, financial resources and backing, and fitness to continue to operate it. There is nothing in the record that would lead to a conclusion that the transfer could in any way adversely affect the public interest. The transfer request in A.60826 will be granted. Also, the request in this application to add authority to transport express shipments to the certificate will be granted. Greyhound's protest to the express shipment authorization is not persuasive.

Lastly for discussion is the request by Pinetree in A.60598 to provide passenger stage and small express package nonstop service between Bakersfield and LAX. This request has been protested by Sears/ABB, referred to in the following discussion as ABB.

Pinetree's experience, ability, financial condition, and fitness have been determined to be satisfactory in our above discussion of its request to serve in Corridor 1. The issues with which we are concerned here are: (1) the existing carrier provision in PU Code § 1032, and (2) public convenience and necessity.

As to the first issue, ABB has been providing service since July 1981. It has had a substantial start-up expense. It

anticipates that its monthly operations will not reach a break-even point until early 1982 and that monthly revenues will then exceed expenses. However, it estimates that its initial losses will not be recouped until the end of 1982 after which time the service will return a profit. Pinetree similarly estimates a loss during the first six-month start-up period, which would require the balance of the year to recoup, and a profitable operation from then on.

There are some differences between the service proposed by Pinetree and that provided by ABB. Following is a brief comparison of the two:

1. Operation - Both would transport passengers and express between Bakersfield and LAX.
2. Schedules - Pinetree would operate two daily round trips during the peak demand hours and add additional schedules if demand required. ABB now operates eight daily round trips during both peak and off-peak demand hours. Some of ABB's buses stop at Magic Mountain with the frequency of this depending on whether it is open. The stop does not require more than five minutes.
3. Equipment - Pinetree would initially operate one large air-conditioned bus with restroom and reclining seats. ABB now operates seven 16-passenger custom air-conditioned vans with reclining seats and operates a second van on a schedule if required by demand. Also, it is obtaining three 42-passenger buses equipped similarly to Pinetree's bus.
4. Fares - Pinetree intends to charge \$13 one-way for its proposed Bakersfield-LAX service. ABB charges \$20 one-way for this service.

We have, therefore, an applicant who would provide a different service than provided by an existing operator. The Bakersfield-LAX service here is the conventional point-to-point service. ABB's service is a shuttle service between Bakersfield and LAX. ABB's service is a shuttle service between Bakersfield and LAX. ABB's service is a shuttle service between Bakersfield and LAX.

Pinetree's service is a shuttle service between Bakersfield and LAX. Pinetree's service is a shuttle service between Bakersfield and LAX.

If ABB acquires the larger buses, its service would be very similar to Pinetree's proposed service. PU Code § 1032 is not a bar to granting Pinetree the requested authority. We find limited competition is the best means of ensuring the public is served by carriers motivated to provide attractive service (see American Buslines, Inc., D.91279, writ of review denied). We find no persuasive evidence that this traffic market is so saturated with service that competition between ABB and Pinetree would not be in the public interest.

It has not been established on this record that public convenience and necessity require an additional passenger stage carrier on this route. We recognize that the population of the Bakersfield area and also of Kern County has been increasing steadily. Pinetree presented three representatives of business with offices or plants in the Bakersfield area who testified that their respective companies would use its service.

5. A number of other persons, including the following, are also named in the letter:

over 25 pounds each in connection with the above mentioned investigation. The above mentioned evidence is being retained for further investigation. The above mentioned evidence is being retained for further investigation. The above mentioned evidence is being retained for further investigation.

One last matter on which we will comment is the reference by ABB to the Cosmo decision as a basis for denying Pinetree's request. This decision is not in point here. The decision did deny a request to provide passenger stage service in an area in which a new operator had recently been certificated. However, it was based on the fact that the applicant had merely demonstrated a desire to serve and had presented no evidence to establish that public convenience and necessity did exist for the proposed service. Here, evidence on this issue was presented by Pinetree.

Since most of the passenger stage services authorized are not now being provided and there is a need for all of these services, the following order will be made effective on the date it is signed.

Findings of Fact

1. Pinetree, Sundance, NRS, and Carroll each hold a passenger stage corporation certificate and Class A or permit charter-party carrier of passengers authority. All are experienced in the transportation of passengers by large bus and/or van equipment. Each has the necessary facilities or ability to obtain them, financial resources and backing, and fitness to operate the passenger stage service that particular applicant is authorized to provide in the order which follows.

2. Pinetree in A.60598, Sundance in A.60523, NRS in A.60789, and Carroll in A.60805, each seek authority to provide various airport access and similar passenger stage services in Corridor 1 generally between LAX and SAN and other surrounding areas. Pinetree and Carroll also request authority to handle express shipments not over 50 pounds each in connection with the services they propose.

Included in the authority sought by both Sundance and Carroll is the request to serve between Pendleton and SAN. Sundance would serve the main gate at Pendleton only. Carroll would serve on the Marine Base at Pendleton if allowed to do so by the Marine Corps. 18

3. Curtis protests the requests by Sundance and Carroll to operate between Pendleton and SAN. He holds a passenger stagecoach certificate to transport military personnel and dependents between these two points. He has been authorized to operate on the Marine Base by the Marine Corps. His certificate includes an equipment restriction which authorizes vehicles not exceeding 22-passenger capacity, including driver and one over this size. Although the service provided by Curtis was erratic during the first six months of 1987, he has provided regular scheduled and on-call service since he then was called. 19

4. Other than Curtis between Pendleton and SAN, no other certificate holder is now providing substantially similar services to those described in Finding 2. 20

5. Carroll's proposed Pendleton-SAN service would compete substantially with Curtis. 21

6. Service by Sundance between the Pendleton main gate and SAN as part of its proposed two round trips per day on its sought SAN-LAX route differs sufficiently from Curtis' five round trips per day and on-call services directly onto the Marine Base so as not to pose a significant competitive threat to him. Since Sundance would be stopping at the Pendleton main gate northbound to pick up passengers and southbound to discharge passengers on its proposed route, it would not be in the public interest to prohibit it from carrying members of the public who might desire to use its service between there and SAN. 22

7. To avoid any misunderstanding that Sundance could operate a separate Pendleton-SAN route that might compete head-on with Curtis' 23

8. With the exception of the condition in Sundance's request referred to in Findings 7, public convenience and necessity require the proposed services by Pinetree, Sundance, NRS, and Carroll as described in Findings 2 for the proposed vesting program of acquisition.

10. Sundance in A.60565 requests authority to provide passenger stage service in Corridor 2 between the City of San Diego and Mammoth on weekends during the winter sports seasons only. The service is designed for weekend skiers. Kopecky now provides a similar winter weekend passenger stage service between the two locations.

12. Competition on the route described in Finding 10 under such regulation will have a beneficial effect for the public interest in that it will lead to the development of the territory served by both and will promote good service and hold down fares.

14. Sears was granted a certificate by D-93117 to operate a one passenger stage service in Corridor 3 between Bakersfield and LAX bus with an intermediate stop at Magic Mountain in Saugus. as per below

- 360 -

obtained from the Commission. It has not been shown that it was the intent of either party by this arrangement to violate any regulations governing passenger stage corporations. .25

16. Greyhound's main objection in the rehearing of D.93117 was to the part of the operating rights granted to Sears that authorize passenger stage service between Bakersfield and Magic Mountain. This is primarily a recreation-oriented service, and if it were not for the amusement park attraction here, there would be no purpose to operate this service. For the reasons stated in Finding 12, and competition on this route is desirable and in the public interest.

17. It has not been established in the rehearing of D.93117 that either Sears or ABB is unfit to provide passenger stage service in Corridor 3. was to be withdrawn

18. Neither D.93117, nor the certificate granted to Sears by the decision should be revised in any manner. .25

19. ABB has the necessary experience, equipment, facilities, financial resources and backing, and fitness to operate the passenger stage service. It has been providing under the agency lease agreement with Sears. .25

20. The transfer of the passenger stage certificate described in Finding 14 from Sears to ABB requested in A.60826 would not be adverse to the public interest. .25

21. The request by ABB in A.60826 to transport small express shipments in connection with the passenger stage service, and its request for authorization to obtain from Sears is reasonable. .25

22. Pinetree in A.60598 also requests authority to provide passenger stage and small express shipments service in Corridor 3 between Bakersfield and LAX with no intermediate stops. ABB under its agency lease agreement with Sears has been providing a substantially similar service. .25

.25

23. It has been demonstrated that there is a public need for an additional passenger stage operator between Bakersfield and LAX.

24. Monopoly passenger stage service by Curtis between Pendleton and SAN, and ABB between Bakersfield and LAX, is not service to the satisfaction of the Commission and to the extent of

25. Limited competition between carriers on these routes will best ensure the public is served by carriers with an incentive to tailor their service and fares to attract patronage and best serve the public.

26. It can be seen with certainty that there is no possibility that the activities in question may have a significant effect on the environment.

Conclusions of Law

The requests by Pinetree in its A.60598 to provide passenger stage and express shipment service between (1) Bakersfield and LAX should be granted, and (2) LAX, ONT, and Palm Springs should be considered in a separate decision.

27. The requests by Carroll in his A.60805 to add Pendleton as a point served in connection with his present SAN certificated passenger stage and express shipment service should be granted.

28. Pinetree, Sundance, NRS, and Carroll should each be granted a certificate of public convenience and necessity to operate the proposed passenger stage service requested in their respective applications, as provided in the order which follows.

4. D-93117, which granted a passenger stage certificate to Sears, should be affirmed.

5. The proposed transfer by Sears of the passenger stage certificate granted to him by D-93117 to ABB is in the public interest and should be granted, and authorization to transport small express shipments should be added to the transferred certificate.

6. Babcock's A.60818 should be dismissed at his request.

7. Carroll should be placed on notice that: (1) It is his duty to comply with all regulations governing his passenger stage and express shipment business, including those relating to the operation of scheduled service, and (2) Any signs on his equipment advertising service should be clearly legible and informative to the public.

8. Sears and ABB should each be placed on notice that it is the duty of any operator of a certificated passenger stage service to comply with all regulations governing the operation of such business, including those relating to the transfer of control.

9. The order should be made effective on the date it is signed because public convenience and necessity require the authorized services.

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.

This authorization of the transfer from Sears to ABB is not a finding of the value of the rights and properties to be transferred.

**INTERIM ORDER ON APPLICATION 60598
AND FINAL ORDER ON ALL OTHER MATTERS**

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pinetree Service Corporation, Inc. (Pinetree), a corporation, authorizing it to expand its operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons,

baggage, and/or express. Appendix A of D.92763 as amended is further amended by replacing First Revised Page 1 with Second Revised Page 1, First Revised Page 2 with Second Revised Page 2, and Original Page 2-A, attached.

2. A certificate of public convenience and necessity is granted to Sundance Stage Lines, Inc. (Sundance), a corporation, authorizing it to expand its operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons and their baggage. Appendix A of D.82-02-098 is amended by replacing Original Page 1 with First Revised Page 1, Original Page 2 with First Revised Page 2, adding Original Page 2a, and replacing Original Page 3 with First Revised Page 3, attached.

3. A certificate of public convenience and necessity is granted to NRS, Inc. (NRS), a corporation, authorizing it to expand its operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons and their baggage. Appendix A to D.92047 is amended by replacing Original Title Page with First Revised Title Page, Original Page 1 with First Revised Page 1, Original Page 2 with First Revised Page 2, and adding Original Page 3, attached. (PSC-1004 set forth in Appendix A to D.92047 shows the name "NRS, Inc., doing business as Coast Management Services." The name on the certificate has never been changed. This certificate is amended to show the present dbas of Fleetwood Limousine Service and Fleetwood Limousine and Airporter Service.)

4. A certificate of public convenience and necessity is granted to William Carroll (Carroll) authorizing him to expand his operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons, baggage, and/or express. Appendix A to D.92290 is amended by replacing Original Page 1 with First Revised Page 1, Original Page 2 with First Revised Page 2, Original Page 3 with First Revised Page 3, Original Page 7 with First Revised Page 7, and adding Original Page 8, attached.

5. Pinetree, Sundance, NRS, and Carroll shall each:

- 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.
 - c. State in their 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.
6. D.93117 is affirmed.
7. By August 31, 1982, Gerald A. Sears may sell and transfer the operative rights and property specified in the application to Airport Bus of Bakersfield, Inc. (ABB).
8. ABB shall:
- a. File with the Transportation Division written acceptance of the certificate and a copy of the bill of sale or other transfer document within 30 days after transfer.
 - b. Amend or reissue seller's tariffs and timetables, state in them when the service will start, make them effective 10 or more days after this order is effective, and allow at least 10 days' notice to the Commission.
 - c. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.
 - d. File an annual report of seller's operations for the period from the first day of the current year to the date of transfer.
 - e. Maintain accounting records in conformity with the Uniform System of Accounts.

9. If the transfer authorized by Ordering Paragraph 7 is completed, on the effective date of the tariffs a certificate of public convenience and necessity is granted to ABB, a corporation, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between the points and over the routes set forth in attached Appendix PSC-1166 to transport persons, baggage, and/or express.

10. The certificate of public convenience and necessity granted by D.93117 is revoked on the effective date of the tariffs referred to in Ordering Paragraph 9.

11. A.60818 is dismissed.

12. Carroll is placed on notice that: (1) he shall comply with all regulations governing his passenger stage and express business, including those relating to the operation of scheduled service, and (2) any signs on his equipment advertising service should be clearly legible and informative to the public.

13. Sears and ABB are both placed on notice that they shall comply with all regulations governing the operation of any passenger stage business, either may operate, including those relating to the transfer of control.

14. The request by Pinetree in A.60598 to operate between Los Angeles International Airport, Ontario Airport, and Palm Springs shall be handled by a separate decision.

This order is effective today.

Dated June 15, 1982, at San Francisco,
California.

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

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


Joseph E. Bodovitz, Executive Director

APPENDIX A

Applicant in A.60598 and Interested Party in A.60523, 60789, 60805, 60430, and 60826: John E. deBrauwere, Attorney at Law, for Pinetree Service Corporation, Inc.

Applicant in A.60523 and 60565 and Interested Party in A.60598, 60789, 60805, and 60818: Henry Buijnorowski, and David Callender for Sundance Stage Lines, Inc.

Applicant in A.60789 and Interested Party in A.60598, 60523, 60805, and 60818: MacDonald, Halsted & Laybourne, by Abby R. Silverman, for NRS, Inc., dba Fleetwood Limousine and Airporter Service.

Applicant in A.60805 and Interested Party in A.60598, 60523, 60789, and 60818: William Carroll, dba Airport Stage Lines, for himself.

Applicant in A.60818 and Interested Party in A.60598, 60523, 60789, and 60805: Bruce R. Babcock, Attorney at Law, dba The Bus Line to LAX, for himself.

Applicant in A.60826 and Protestant in A.60598, and Respondent in Rehearing in A.60430: Garfield, Tepper & Ashworth, by Christopher Ashworth, Attorney at Law, for Airport Bus of Bakersfield, Inc.

Petitioner for Rehearing in A.60430 and Protestant in A.60826: Lat J. Celmins, Attorney at Law, and Howard Everidge, Attorney at Law (Arizona and New Mexico), for The Greyhound Corporation.

Protestant in A.60818: Bewley, Lassleben & Miller, by Richard L. Dewberry and John H. Renninger, Attorneys at Law, for 24-Hour Express, Inc.

Protestants in A.60565: Robert J. Klitgaard, Attorney at Law, and Kenneth J. Kopecky, for Kopecky Corporation.

Protestant in A.60598, 60523, 60789, 60805, and 60818: Joseph A. Bradley III, Attorney at Law, for Robert L. Curtis, dba Bob's Ride.

Protestant in A.60789, 60805, and 60818: John H. Lyons, Attorney at Law, for Airport Service, Inc.

Interested Party in all applications: James P. Jones, for United Transportation Union.

For the Commission Staff: Vahak Petrossian.

(END OF APPENDIX A)

Appendix A
(D.92763)

PINETREE SERVICE CORPORATION, INC. Second Revised Page 1
(PSC-1152) Cancels
First Revised Page 1

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

Pinetree Service Corporation, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers for sightseeing and for pleasure trips between points in Los Angeles and Orange Counties, on the one hand, and various points of interest, on the other hand,* and daily scheduled passenger service and shipment of small packages, not to exceed 50 pounds in weight each, between San Diego International Airport (SAN) and Los Angeles International Airport (LAX), and between Bakersfield and LAX,* 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. All *sightseeing* service authorized shall be limited to the transportation of round-trip passengers only.
- b. *Sightseeing* service shall be operated on an on-call basis. The term on-call as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetable shall show the conditions under which each authorized on-call service will be rendered.
- c. When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- d. On Route C, all buses will enter and depart that area in the City of Beverly Hills bounded by Beverly Drive, Santa Monica Boulevard, Camden Drive and Charleville Boulevard via Wilshire Boulevard and in all other respects shall be restricted from proceeding to or from other points within that City.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Application 60598.

Appendix A
(D.92763)

PINETREE SERVICE CORPORATION, INC.
(PSC-1152)

Second Revised Page 2
Cancels
First Revised Page 2

SECTION 2. AUTHORIZED POINTS OF ORIGIN/TERMINATION.

All tours shall originate and terminate at one or more of the following locations:

LOS ANGELES COUNTY

Downtown Los Angeles Area

Biltmore Hotel
Bonaventure Hotel
Hyatt Regency
Los Angeles Hilton
New Otani Hotel
Los Angeles Convention Center
Hotel Figueroa

Mid-Wilshire Area

Ambassador Hotel
Hyatt Wilshire
Sheraton Townhouse
Hollywood Roosevelt Hotel

Beverly Hills-Century City Area

Beverly Hills Hotel
Beverly Wilshire Hotel
Beverly Hilton Hotel
Century Plaza Hotel
Beverly Hills Ramada Inn

Los Angeles Airport Area

Airport Marina Hotel
Hyatt Airport
Marriott Airport
Sheraton Plaza La Reina
Travelodge L.A. Airport

ORANGE COUNTY

Disneyland Hotel
Grand Hotel
Marriott Anaheim
Anaheim Convention Center

* Transportation of persons, baggage, and/or express for scheduled passenger service will originate or terminate at the following locations:

*SAN TO LAX

Service will originate and terminate at SAN and LAX with en route stops in Carlsbad at Hadley's Fruit Orchard, 6115 Paseo del Norte, and in San Clemente at A Bit of History Museum, 3801 S. El Camino Real. No local passengers between Carlsbad and San Clemente will be carried.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Application 60598.

T/ctb

Appendix A
(D.92763)

PINETREE SERVICE CORPORATION, INC. Original Page 2-A
(PSC-1152)

SECTION 2. AUTHORIZED POINTS OF ORIGIN/TERMINATION. (Continued)

BAKERSFIELD TO LAX

Service will originate at the Bakersfield Inn, 1101 Union Avenue, Bakersfield then via the most convenient and appropriate routes and highways to the Los Angeles International Airport (LAX).

Issued by California Public Utilities Commission.

Decision 82-06-100, Application 60598.

T/ri

Appendix A
(D.82-02-098)

Sundance Stage Lines, Inc.
(PSC - 1208)

First Revised Page 1
Cancels
Original Page 1

I N D E X

	<u>Page</u>
SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS.....	2
SECTION 2. ROUTE DESCRIPTIONS	
Route 1 - San Diego to Disneyland-Knott's Berry Farm-Universal Studios.....	3
*Route 2 - San Diego International Airport (SAN), to Camp Pendleton, Orange County (John Wayne) Airport, Los Angeles International Airport (LAX).	
*Route 3 - San Diego commercial zone and Mammoth resort area.	

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Applications 60523 and 60565.

Appendix A
(D.82-02-098)

Sundance Stage Lines, Inc.
(PSC - 1208)

First Revised Page 2
Cancels
Original Page 2

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

Sundance Stage Lines, Inc., 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 San Diego County and Orange and Los Angeles Counties and certain intermediate and adjacent territories, *and between San Diego Commercial zone and Mammoth resort areas*, over and along the routes described, subject, however, to the authority of this Commission to change or modify the 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 not pick up or discharge passengers except within the limits of the specified service areas as set forth. This restriction shall not prevent stop-overs for the purpose of permitting sightseeing passengers to visit various points of interest along the route.
- d. Route 1 shall be operated on Saturdays only, and on every Wednesday beginning on the first Wednesday after June 15 and continuing until the first Wednesday following September 15, annually.
- e. On Route 1, only passengers provided by travel agents shall be accepted.
- f. One-way transportation of passengers is authorized.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Applications 60523 and 60565.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS. (Continued)

- g. On Route 2, no separate schedule can be run over part of the route.
- h. On Route 3, service begins on the first weekend after January first and continues through the first weekend after April 30th yearly.
- i. On Route 3, no one-way service is permitted. Passengers can lay over from one weekend to a following weekend return, provided they give the carrier prior notice, and provided a space is available on the desired returning coach.

Issued by California Public Utilities Commission.

Decision 82-06-100, Applications 60523 and 60565.

SECTION 2. ROUTE DESCRIPTIONS.

Route 1. San Diego County to Disneyland - Knott's Berry Farm - Universal Studios

Service between the following points, on the one hand:

1. J. J. Travel Service, 433 East Main Street, El Cajon
2. A-1 Tours, 4056 Fairmount Avenue, San Diego
3. Amtrak Station, Kettner and Broadway, downtown San Diego

and the following points, on the other hand:

4. Disneyland, Anaheim
5. Knott's Berry Farm, Buena Park
6. Universal Studios, Universal City (Los Angeles)

*Route 2. San Diego International Airport (SAN) to - Camp Pendleton - Orange County Airport - Los Angeles International Airport (LAX)

Departs San Diego International Airport and proceeds to I-5, via I-5 to the main gate area of Camp Pendleton, departs Camp Pendleton and via I-5 to I-405, to Orange County Airport, departs the Airport and via I-405 to Century Boulevard and to the Los Angeles International Airport. On return trip, bus leaves LAX, via Century Boulevard to I-5, via I-5 to main gate area of Camp Pendleton, departs the Camp and via I-5 to SAN.

*Route 3. San Diego and El Cajon - Mammoth resort areas in Mono County

From various locations in San Diego and El Cajon, via highways I-15 and US 395 to Mammoth Lake recreation area.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Applications 60523 and 60565.

Appendix A
(D-92047)

NRS, INC. First Revised Title Page
Doing Business As Cancels
FLEETWOOD LIMOUSINE SERVICE AND Original Title Page
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
TO OPERATE AS

A PASSENGER STAGE CORPORATION

PSC-1004

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.

Revised by Decision 82-06-100 dated June 15, 1982,
of the Public Utilities Commission of the State of California, in
Application 60789.

Appendix A
(D.92047)

NRS, INC.
Doing Business As
FLEETWOOD LIMOUSINE SERVICE AND
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE
(PSC-1004)

First Revised Page 1
Cancels
Original Page 1

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

NRS, INC., doing business as Fleetwood Limousine Service and Fleetwood Limousine and Airporter Service, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to operate as a passenger stage corporation to transport passengers and their baggage between San Diego International Airport-Lindbergh Field, in San Diego, on the one hand, and the eighteen communities of Escondido, Vista, Fallbrook, San Marcos, Lake San Marcos, Penasquitos, Poway, Rancho Santa Fe, Miramar, Rancho Bernardo Service Territory, Oceanside, Carlsbad, Leucadia, Encinitas, Cardiff-By-The-Sea, Solana Beach, Del Mar, and that certain area commonly referred to as Scripps Miramar Ranch located in the County of San Diego,* plus San Clemente, San Juan Capistrano, Laguna Hills, San Pedro-Long Beach Harbor, John Wayne/Orange County Airport, Los Angeles International Airport, San Diego, La Jolla, on the other hand; and between the above eighteen communities, on the one hand, and John Wayne/Orange County Airport, Los Angeles International Airport, Montgomery Field, San Diego Amtrak Railroad Station, on the other hand; and between the City of San Diego (Amtrak Railroad Station and visitor information center), on the one hand, and John Wayne/Orange County Airport, Los Angeles International Airport, San Clemente, San Juan Capistrano, Laguna Hills,* on the other hand, over and along the most appropriate highways, roads, and streets, subject, however, to the authority of this Commission to change or modify the authority at any time and subject to the following provisions:

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, in Application 60789.

Appendix A
(D.92047)

NRS, INC.
Doing Business As
FLEETWOOD LIMOUSINE SERVICE AND
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE
(PSC-1004)

First Revised Page 2
Cancels
Original Page 2

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND
SPECIFICATIONS (Continued)

- *(a) Service shall be operated on an "on-call" basis. 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.
- *(b) Special restrictions for service between San Diego International Airport, on the one hand, and Oceanside, Carlsbad, Leucadia, Cardiff-By-The Sea, Solana Beach, Del Mar, and that certain area commonly referred to as Scripps Miramar Ranch located in the County of San Diego, on the other hand:
 - (1) Service is restricted to the transportation of passengers and their baggage in equipment not exceeding fifteen (15) passengers capacity, including driver, and further restricted to passengers originating at or destined to the San Diego International Airport.
 - (2) Passengers may not board or be discharged at intermediate points.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, in Application 60789.

Appendix A
(D.92047)

NRS, INC.
Doing Business As
FLEETWOOD LIMOUSINE SERVICE AND
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE
(PSC-1004)

Original Page 3

SECTION 2. RANCHO BERNARDO SERVICE TERRITORY

Beginning at the intersection of Black Mountain Road and the city limits of San Diego, southwesterly along the city limits to a point due west of the intersection of Stone Canyon Road and Pomerado Road, southerly along Pomerado Road to Russ Lane, easterly along direct line to the intersection of Espola Road and Stone Canyon Road, northerly and westerly along Espola Road to Old Coach Road, northeasterly along Old Coach Road to a point of the intersection of Andrews Drive and Del Paso Drive, then northwesterly along a direct line to the intersection of Highland Valley Road and the San Diego Aqueduct, then due west to the city limits of San Diego, southerly along the city limits to point of beginning.

Issued by California Public Utilities Commission.

Added by Decision 82-06-100, in Application 60789.

T/ctb

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

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Issued by California Public Utilities Commission.

*Revised by Decision 82-06-100, Application 60805.

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

First Revised Page 2
Cancels
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SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.

William Carroll, an individual, by the certificate of public convenience and necessity modified by the decision noted in the margin, is authorized to operate as a passenger stage corporation to transport passengers and their baggage and express between San Diego International Airport-Lindbergh Field, in San Diego, on the one hand, and the Palomar Airport (San Diego County), Camp Pendleton,* that certain area commonly known as Rancho Bernardo Territory located within the city limits of San Diego, and the communities of Escondido, Vista, Fallbrook, San Marcos, Penasquitos, Poway, Carlsbad, and Encinitas, on the other hand; * and to operate scheduled and on-call passenger service and express, not to exceed over 50 pounds in weight, between the Cities of Escondido, San Marcos, Vista, Carlsbad, and Camp Pendleton, on the one hand, and Orange County Airport (ORN), Los Angeles International Airport (LAX) and Los Angeles and Long Beach Harbors on the other hand,* 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) Where route descriptions are given in one direction they apply to operation in either direction unless otherwise directed.
- (b) For operating convenience only, 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.
- (c) All services authorized* on Routes 1, 2, and 3* shall be limited to passengers destined to or originating at San Diego International Airport-Lindbergh Field.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Application 60805.

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

First Revised Page 3
Cancels /
Original Page 3

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS. (Continued)

- (d) Transportation services on Routes 3 *(and 5) may be performed on an "on call" basis. The term on call as used refers to service which is authorized to be rendered dependent on the demand of passengers. The applicant's tariffs and timetables shall show the conditions under which such authorized on call service will be rendered.
- (e) Passengers shall be picked up and discharged only at points and places to be named in applicant's tariffs and only at those points and places situated within the territories and cities named.
- (f) The transportation of baggage and express *(on Routes 1, 2, and 3) shall be incidental to the transportation of passengers, and shall be limited to a weight of 100 pounds per shipment.
- *(g) No passenger or express will be carried in either direction between Orange County Airport, Los Angeles International Airport, and Long Beach Harbor on Routes 4 and 5.
- *(h) Transportation on Route 4 is scheduled service only.
- *(i) Transportation on Route 5 is on-call service only.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Application 60805.

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

First Revised Page 7
Cancels
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SECTION 2. ROUTE DESCRIPTIONS. (Continued)

Route 3 San Marcos - Vista - Fallbrook

Beginning at 1523 Grand Avenue in the City of San Marcos, west on Grand Avenue to Rancho Santa Fe Road, north on Rancho Santa Fe Road to State Highway 78, then west on State Highway 78 to Sunset Drive located in the City of Vista, north on Sunset Drive to Santa Fe Avenue, northwest on Santa Fe Avenue to the northeast corner of the intersection of Santa Fe Avenue and Broadway Avenue where passengers shall be picked up or discharged. Continue in a northwesterly direction on Santa Fe Avenue to Vista Way, due north on Vista Way to Mission Road, then continue in a northerly direction on Mission Road to the southeast corner of the intersection of Mission Road and Pepper Tree Lane located in the City of Fallbrook where passengers shall be picked up or discharged. Return to the exact point of beginning via the reverse route.

*Route 4 Escondido, San Marcos, Vista, Carlsbad, Camp Pendleton, Orange County Airport, Los Angeles International Airport

The service will originate in Escondido and proceeds to the terminal in San Marcos, City of Vista, City of Carlsbad over the routes stated in Route 1, 2, and 3, then proceeds to Camp Pendleton via Highway 78 and Interstate 5, then to Orange County Airport via Interstate 5 and 405, and to Los Angeles International Airport over Interstate 405, and return in a reverse direction.

Issued by California Public Utilities Commission.

*Added by Decision 82-06-100, Application 60805.

T/ctb*

Appendix A

WILLIAM CARROLL
(PSC - 1135)

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SECTION 2. ROUTE DESCRIPTIONS. (Continued)

Route 5 Escondido, San Marcos, Vista, Carlsbad, Camp Pendleton,
Orange County Airport, Los Angeles International Airport,
Los Angeles and Long Beach Harbors

The same as in Route 4, then proceeds to the Los Angeles and Long Beach Harbors.

Route 6 San Diego International Airport (SAN), Palomar Airport
and Camp Pendleton

This route may be combined with other authorized routes serving SAN and Palomar Airport.

Issued by California Public Utilities Commission.

Decision 82-06-100, Application 60805.

T/ctb

Appendix PSC-1166 AIRPORT BUS OF BAKERSFIELD, INC.

Original
Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
TO OPERATE AS A
PASSENGER STAGE CORPORATION
PSC - 1166

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 82-06-100, dated June 15, 1982
of the Public Utilities Commission of the State of California in
Application 60826.

T/ctb

Appendix PSC-1166 AIRPORT BUS OF BAKERSFIELD, INC.
(PSC-1166)

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Issued by California Public Utilities Commission.

Decision 82-06-100, Application 60826.

Appendix PSC-1166 AIRPORT BUS OF BAKERSFIELD, INC.
(PSC-1166)

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Page 2

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

Airport Bus of Bakersfield, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to transport passengers, and their baggage, and small package express only between Bakersfield, Saugus, and Los Angeles International Airport (LAX), with stops 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.
- b. When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- c. Passengers should be boarded or disembarked at the authorized service points only, as set forth in each route description below.
- d. For operating purposes, carrier may operate buses to skip certain stops on certain schedules, provided that all authorized service points receive adequate service.
- e. Service on Route 1 shall be limited to passengers originating at or destined to Saugus (Magic Mountain) or LAX.
- f. Express packages shall not exceed 50 pounds in weight each.

Issued by California Public Utilities Commission.

Decision 82-06-100, Application 60826.

T/ctb

Appendix PSC-1166 AIRPORT BUS OF BAKERSFIELD, INC.
(PSC-1166)

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SECTION 2. ROUTE DESCRIPTION.

Route 1 - Bakersfield - Saugus - LAX

Commencing at 1625 24th Street in Bakersfield, then over the most convenient streets and highways to LAX via the intermediate stop at Saugus (Magic Mountain).

Issued by California Public Utilities Commission.

Decision 82-06-100, Application 60826.

Decision 82 06 100 JUN 15 1982**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PINETREE SERVICE CORPORATION, INC., a
 California corporation, for a Certi-
 ficate of public convenience and
 necessity to operate an airport access
 service between points in Kern, Orange,
 and San Diego Counties on the one
 hand, and Los Angeles County on the
 other hand, and for common carrier
 rights to carry small packages between
 the same points.

Application 60598
 (Filed May 28, 1981;
 amended August 13, 1981
 and September 28, 1981)

In the Matter of the Application of
 SUNDANCE STAGE LINES, INC., a
 California corporation, for a certi-
 ficate of public convenience and
 necessity to operate a scheduled
 passenger stage service between San
 Diego International Airport (Lindbergh
 Field) on the one hand, and Los Angeles
 International Airport on the other
 hand.

Application 60523
 (Filed May 6, 1981;
 amended August 24, 1981)

In the Matter of the Application of
 NRS, Inc., doing business as FLEETWOOD
 LIMOUSINE SERVICE and FLEETWOOD
 LIMOUSINE AND AIRPORTER SERVICE, for
 additional routes for passengers and
 their baggage.

Application 60789
 (Filed August 5, 1981)

In the Matter of the Application of
 WILLIAM CARROLL, an individual dba
 AIRPORT STAGE LINES, for authority to
 operate as a passenger stage corpora-
 tion in a scheduled, on-call and home-
 to-work passenger and express service
 between points in north San Diego
 County to and from Orange County and
 Los Angeles International Airports.

Application 60805
 (Filed August 31, 1981)

In the Matter of the Application of
BRUCE R. BABCOCK, dba "THE BUS LINE TO
LAX", for a certificate of public
convenience and necessity to operate
as a passenger stage corporation be-
tween points in San Diego and Orange
Counties and the Los Angeles Interna-
tional Airport.

Application 60818
(Filed August 14, 1981)

In the Matter of the Application of
SUNDANCE STAGE LINES, INC., a
California corporation, for a certifi-
cate of public convenience and
necessity to operate a regularly
scheduled motor coach service between
points in San Diego County on the one
hand, and the Mammoth Resort areas
in Mono County, California, on the
other.

Application 60565
(Filed May 15, 1981)

In the Matter of the Application of
GERALD A. SEARS, an individual dba
BAKERSFIELD AIRPORT EXPRESS, for
authority to operate as a passenger
stage corporation between points in
Kern, Ventura and Los Angeles Counties
and the Los Angeles International
Airport.

Application 60430
(Filed April 10, 1981;
amended May 4, 1981;
rehearing granted
August 18, 1981)

In the Matter of the Application of
AIRPORT BUS of BAKERSFIELD, INC., a
California corporation, to transfer
certain property and a certificate
of public convenience and necessity,
PSC-1166, from GERALD A. SEARS, an
individual dba BAKERSFIELD AIRPORT
EXPRESS, to applicant pursuant to
Section 851, et seq., of the
California Public Utilities Code, and
small package express authority as
described below.

Application 60826
(Filed August 18, 1981)

(See Appendix A for appearances.)

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Sundance Stage Lines, Inc.	
NRS, Inc.	
William Carroll	
Airport Bus of Bakersfield, Inc.	

INTERIM OPINION ON APPLICATION 60598
AND FINAL OPINION ON ALL OTHER MATTERS

I. Summary

The decision in this matter involves eight applications all of which are concerned with certificated passenger stage service. A brief summary of the decision follows:

1. There is no direct passenger stage access service between various points in coastal and inland San Diego and southern Orange Counties, on the one hand, and Los Angeles International Airport (LAX), John Wayne Airport (ORX) aka Orange County Airport, and the passenger cruise ship piers in the Los Angeles-Long Beach (LA-LB) harbor area, on the other hand. The requests to provide certain such or similar type service in this corridor by Pinetree Service Corporation (Pinetree) in Application (A.) 60598, Sundance Stage Lines, Inc. (Sundance) in A.60523, NRS, Inc. (NRS), doing business as Fleetwood Limousine Service and Fleetwood Limousine and Airporter Service (Fleetwood) in A.60789 granted; by William Carroll (Carroll), dba Airport Stage Lines, in A.60805 granted in part; and by Bruce R. Babcock (Babcock), dba The Bus Line to LAX, in A.60818 dismissed at his request. Robert L. Curtis (Curtis), dba Bob's Ride, who operates a passenger stage service between Camp Joseph H. Pendleton U. S. Marine Corps. Base (Pendleton) and San Diego International Airport (SAN) aka Lindbergh Field, protested the portions of the requests by Sundance and Carroll that seek authority to serve between these two points. Sundance's request to provide this service granted on basis of some service differences from Curtis. Carroll's request to provide this service is denied on grounds of similarity of service to Curtis and insufficient evidence on public need.
2. The request by Sundance in its A.60565 to provide a weekend service for skiers between a specific location in the City of San Diego and Mammoth resort areas during the winter season is granted. Protest by Kopecky

Corporation (Kopecky) which has been providing a similar weekend winter service for a number of years. Decision holds this is a recreation-oriented service and some regulated competition is in public interest.

3. On rehearing of Decision (D.) 93117 in A.60430 we find that no change should be made in the certificate issued in the decision to Gerald A. Sears (Sears), doing business as Bakersfield Airport Express (BAX), to operate a passenger stage service between Bakersfield and LAX, with intermediate service to and from Magic Mountain, a recreation and amusement park, at Saugus. Greyhound Corporation (Greyhound) applied for rehearing and objected primarily to the authorization to service between Bakersfield and Magic Mountain which it also provides. This decision holds, as with Sundance's Mammoth request, that this is recreation-oriented service.
4. Request in A.60826 to transfer Sears' certificate to Airport Bus of Bakersfield, Inc. (ABB) is granted. ABB has been operating the service under an agency lease agreement with Sears who is a director but not shareholder of the corporation. Sears is involved in the management of ABB but does not have control. He is to receive a 15% stock interest in ABB. No Commission authorization obtained by the parties for this arrangement. No intent to violate any applicable regulation by parties was shown. Good service is being provided and public need for it has been shown. Transfer is in public interest.
5. The request by Pinetree in its A.60598 to operate between Bakersfield and LAX is denied. A protest to this was made by Sears/ABB. Decision finds service operated by ABB, a new carrier, is adequate and satisfactory and no public need has been shown for an additional operator on this route.
6. Pinetree's request to operate between LAX, Ontario Airport (ONT), and Palm Springs was not considered here and will be the subject of a separate decision in another proceeding.

II. Introduction

The following applications each seek authority to operate as a passenger stage corporation generally between SAN or surrounding areas, on the one hand, and LAX or nearby points, on the other hand (Corridor 1): (1) A.60598, as amended, by Pinetree; (2) A.60523, as amended, by Sundance; (3) A.60789 by NRS; (4) A.60805 by Carroll; and (5) A.60818 by Babcock. Some of the applications also request authority to serve certain intermediate points.

By A.60565, Sundance requests authority to provide passenger stage corporation service on weekends between the City of San Diego and the Mammoth resort areas (Corridor 2) in Mono County during the winter season.

Pinetree in its A.60598, as amended, also requests authority to operate as a passenger stage corporation between Bakersfield and LAX (Corridor 3). Sears was authorized by D.93117 dated May 19, 1981 in A.60430, as amended, to provide passenger stage service between Bakersfield, Saugus, and LAX. A petition for rehearing of this decision by Greyhound was granted by D.93464 dated August 18, 1981, which did not stay D.93117. By A.60826, ABB requests authority to acquire the operating authority and related property of Sears.

Since most of the applications are concerned with Corridor 1 and some are concerned with more than one service corridor and because of the similarity of issues in various applications, all eight matters were joined for hearing on a consolidated record. A prehearing conference and eight days of public hearing were held during September and October 1981 before Administrative Law Judge Arthur M. Mooney in Los Angeles and San Francisco. With the exception of part of Pinetree's A.60598, the matters were submitted on the filing of written closing statements on November 2, 1981. The request in A.60598 to provide service in Corridors 1 and 3 was submitted. The further request in this application to provide

service between LAX, ONT, and Palm Springs was separated from and is not a part of this consolidated proceeding and will be the subject of a separate proceeding.

By letter dated October 5, 1981 to the Commission, Babcock advised that he desired to have his A.60818 withdrawn. In the circumstances, no further consideration of this application is necessary, and the request will be granted.

We will first separately summarize the evidence and arguments relating to each of the three service corridors presented by the various applicants, except Babcock, and protestants. This will be followed by a discussion, findings, conclusions, and order relating to all matters.

III. Evidence and Argument

A. Corridor 1 - Between San Diego and Los Angeles International Airport Areas

1. A.60598 - Pinetree Service Corp.

Pinetree was incorporated in 1971, and its principal place of business is in Westminster, near Los Angeles. It is the sole owner of California Charter Buses (CCB), a corporation which it purchased, and Pinetree Tours, a corporation. Pinetree Transportation is an operating division of Pinetree and had previously been a wholly owned corporation which was dissolved.

Pinetree holds a passenger stage certificate (PSC-1152) granted by D.92763 dated March 3, 1981, as amended by D.93801 dated December 1, 1981, in A.60094. The certificate authorizes nine sightseeing tours between points in Los Angeles and Orange Counties, on the one hand, and named points of interest in the two counties, on the other hand. Through its operating division, Pinetree Transportation, it: (1) provides various school bus transportation services, including services for handicapped children, and leases equipment for these services; (2) has charter and special operations authorities from the Interstate Commerce Commission (ICC); and (3) holds a Class A charter-party carrier of passengers certificate

TCP-88A). It owns no equipment, and charters equipment primarily from CCB for other than school bus operations.

CCB had been in the charter business for a number of years prior to its acquisition by Pinetree. It holds a Class A charter-party carrier of passengers certificate (TCP-33A). CCB provides charter service primarily in the southern California area. CCB has a terminal in Los Angeles and owns or leases the following air-conditioned equipment: (1) 50 10-passenger vans, (2) 12 39-passenger MC-5A coaches, (3) 15 46-passenger Prevost coaches, and (4) 10 46-passenger MC-9 coaches. It has made arrangements to obtain additional equipment.

Pinetree Tours provides various tour services, including arranging sightseeing services for groups coming into southern California and tours for disabled persons.

The March 31, 1981 balance sheet, attached to the application, for Pinetree and its subsidiaries showed assets of \$5,279,532, liabilities of \$3,470,600, and a shareholders' equity of \$1,808,932. Exhibit Pinetree 1-C shows for the eight months ended March 31, 1981 for all companies an income from sales of transportation services of \$6,735,542, of which 71% was attributable to home-to-school service and 18.1% was attributable to charters, and a net income before income taxes of \$701,876. Pinetree had not commenced passenger sightseeing service at this time.

The specific authority Pinetree seeks in Corridor 1 is to provide a scheduled airport access service for passengers and their baggage between SAN and LAX with intermediate stops at Hadley's Fruit Orchard in Carlsbad, San Diego County, and Carrow's Restaurant in San Clemente, Orange County. No local service would be provided between Carlsbad and San Clemente. The proposed passenger fares are as follows:

<u>Between</u>	<u>Fare/Person</u>
LAX-SAN	\$15.00
LAX-San Clemente	7.25
LAX-Carlsbad	10.70
SAN-Carlsbad	4.30
SAN-San Clemente	7.75

Authority is also sought to provide express service for packages not over 50 pounds in weight over the same route. The proposed charges for this service would vary according to the weight of the package, with the charges between SAN and LAX ranging from \$7.50 for a package under two pounds to \$16.00 for one between 41 and 50 pounds.

Evidence in support of this route was presented by the executive vice president and the sales manager of Pinetree and by a travel agent. The vice president has been with Pinetree for over four years and had prior experience in the transportation and market research fields. Among other duties, he handles market research studies for Pinetree.

Following is a summary of the evidence presented by the vice president regarding the operation of the proposed SAN-LAX service:

1. Pinetree would charter MC-5A, Prevost, or MC-9 motor coach equipment for its exclusive use for this route from CCB. The charge for the equipment would be \$1.70 per mile which is the same amount CCB charges any other customer. There would be no deadhead charge in either Los Angeles or San Diego, and the equipment would be stored overnight in San Diego near the airport. CCB would be responsible for equipment maintenance and driver's salary and has arrangements with a San Diego carrier for any repairs that should be necessary in that area. The driver and equipment would be under its control. Should the need arise, Pinetree has other sources from which it can charter equipment.
2. Pinetree proposes to initially operate two round trips per day between SAN and LAX with the intermediate stops in each direction at San Clemente and Carlsbad. The total

distance and time for each leg of the round trip are 122 miles and approximately three hours, respectively. It tentatively plans to have an early morning and midafternoon departure from San Diego and a midday and early evening departure from LAX. The finalized schedule will be based on airline schedules and recommendations by travel agents. Because of maintenance and repairs, it is estimated that on the average one and a half buses would be required. Should additional schedules be required as the service develops, more equipment would be obtained.

3. Pinetree's Pro Forma Income Statement for the first six months of operating this service (Exhibit Pinetree 1-E) shows an operating loss of \$58,380, ranging from a loss of \$20,520 for the first month down to \$1,440 for the sixth month. This is based on an estimated 10 passengers per trip the first month with an increase of two passengers per trip each month to 20 passengers per trip the sixth month. After the six-month, start-up period the number of passengers per trip should continue to increase and the operation should be profitable. Pinetree has the financial resources to absorb this initial start-up loss if it should in fact occur.
4. Pinetree would have a representative at LAX to meet arriving and departing buses. Tickets would be sold by this representative and travel agents and also by the driver to passengers boarding a bus. The service would be advertised in trade and general publications, and brochures would be distributed to travel agents and to airports and other locations for the general public.

The vice president testified that there is no service similar to that proposed and public convenience and necessity require that the service be authorized. He stated that according to travel agents he contacted, there would be a substantial demand for the service by tourists and the general public other than business.

travelers who now primarily use air commuter service. The witness asserted that the San Diego Convention and Visitors Bureau (C&V Bureau) supports the request and furnished him with a letter confirming its position (Exhibit Pinetree 1-F). He stated that the following data furnished to him by the Bureau clearly establish the need for the service:

1. Visitors to San Diego increased 6% in 1980 to a total of over 10 million for the year, of which 700,000 were from Europe and one million arrived by rental car. There was a further increase of 12-1/2% in the first seven months of 1981 over the similar period in 1980.
2. There are now no scheduled international air flights at SAN. Due to rising costs and the air controllers' strike, all domestic scheduled air service at SAN has been cut back. Now most service is by commuter flights. Because of this and increased air fares, the number of air passengers to San Diego decreased 21% in 1980 and a further 6% in the first half of 1981.
3. The population of southern Orange County, northern San Diego County, and the area in and around the city of San Diego, which the proposed route would serve, has been steadily increasing.

The sales manager of Pinetree, who has been with the company for four years, testified that he contacted all travel agents in Carlsbad and San Clemente and many in San Diego by telephone and follow-up letters regarding the proposed SAN-LAX airporter service. He explained that they were interested in the service and in the proposed fares and schedules and the commission arrangements. He stated that written responses were received from 13 of them.

The travel agent testified that he and his wife own A Bit of Travel, a full service travel agency business in Carlsbad. He stated that the population of Carlsbad has been increasing and has doubled in the past five years. The witness asserted that there are six other travel businesses in the area and that he has frequent contact with them. He testified that while there is limited direct

highway passenger service to SAN, there is none to LAX. He explained that air service from the local airport to LAX costs \$28 per passenger and that to take public ground transportation requires many transfers. He asserted that he receives 2 or 3 requests per day from individuals for ground transportation to LAX and a similar number for ground transportation to SAN. Although he felt a different pickup point in Carlsbad than that proposed by Pinetree would be more convenient for passengers, he stated that there is a need for the service and recommended that the proposed service be authorized.

The attorney for Curtis, upon being assured by Pinetree that it was not its intent to serve between Pendleton and SAN, which route his client serves, stated that Curtis had no objection to any of Pinetree's application. Several of the other applicants for similar route authority opposed the granting of this route to Pinetree on various grounds.

In his written closing statement, the attorney for Pinetree argued that while there are some similarities in the request by his client and those by Sundance, Fleetwood, and Carroll to serve Corridor 1, there are significant differences between them, including certain of the points each requests authority to serve, equipment to be used, proposed fares, and schedules. He asserted that Pinetree alone presented evidence establishing a public need for the service it proposes. He urged that his client's request to serve this route be granted and that the requests by the three other applicants to serve this corridor be denied.

2. A.60523 - Sundance Stage Lines, Inc.

Sundance has been in the charter business since late 1978. It holds a Class A charter-party carrier of passengers certificate (TCP-210A). It also has charter and special operations authority from the ICC for service between San Diego and the continental states. By A.60520 Sundance requested a passenger stage certificate to provide certain sightseeing services in southern California. (This certificate has been granted by D.82-02-098 dated February 17, 1982.)

The specific authority sought by Sundance in Corridor 1 is to provide the following scheduled airport access service for passengers and their baggage:

1. Northbound from SAN to Pendleton, ORX, and SAN.
2. Southbound from LAX to Pendleton and SAN.
3. Local service would be provided between SAN and Pendleton and between LAX and Pendleton only.

The proposed fares are as follows:

<u>From</u>	<u>To</u>	<u>Fare</u>	
		<u>Adult</u>	<u>Child (under 12)</u>
SAN(1)	Pendleton	\$ 8	\$ 6
SAN	ORX	17	13
SAN(1)	LAX	20	15
Pendleton	ORX	9	7
Pendleton(1)	LAX	12	9

(1) Also applies in reverse direction.

Sundance proposes to initially have two schedules in each direction with the northbound trips departing SAN at 7:30 a.m. and 6 p.m. and the southbound trips departing LAX at 11 a.m. and 9:30 p.m. The transit times would be approximately three hours northbound and two hours and twenty minutes southbound. The one-way distances would be about 130 miles. One bus would be used for this operation, and most of the time it would be an MC-5A motor coach.

Sundance has three major shareholders, including its president and vice president/sales and promotions (vice president), and four minor shareholders. For federal income tax purposes, it is treated as an Internal Revenue Code (IRC) Sub Chapter S corporation, and as such, operating results are included in the returns of the individual shareholders and not a corporate return. State income tax returns are filed by Sundance.

Sundance leases a yard, shop, and office in San Diego which are located several miles from SAN. The company had two buses in 1978 and now operates six 41-passenger MC-5A, one 47-passenger MC-7, one 47-passenger MC-8, and one 46-passenger MC-9 motor coaches. All

are air-conditioned and equipped with restrooms, reclining seats, and other amenities. It will obtain three additional MC-9 motor coaches by early 1982 and plans to obtain three more motor coaches in 1982.

Financial data on behalf of Sundance were presented in evidence (Exhibit Sundance 1) by a certified public accountant (CPA). According to the CPA, the data he presented were without audit and based on representations furnished to him by management and a review of the journals, financial statements, and other working papers of Sundance's prior accountant, who was too ill to continue as the accountant. The following basic data are shown on the comparative balance sheet in the exhibit for June 30, 1981 and the same date in 1980.

	<u>1981</u>	<u>1980</u>
Assets	\$492,853	\$212,483
Liabilities	380,878	108,835
Stockholder's Equity	111,975	103,648

The following basic data are shown on the comparative income statement in the exhibit for the years ended June 30, 1981 and June 30, 1980:

	<u>1981</u>	<u>1980</u>
Operating Revenue	\$608,135	\$399,134
Operating Expenses	<u>574,251</u>	<u>371,385</u>
Operating Income	33,884	27,749
Other Income	5,733	1,695
Net Income, after State		
Income Tax	35,777	25,989
Cash Dividend (\$225/share)(1)	27,450	0
Retained Earnings, End of		
Year	35,288	26,961

(1) 122 shares of stock have been issued.

The CPA was extensively cross-examined on his exhibit and testified as follows:

1. Sundance has grown in 1981 over 1980 as evidenced by the increase in assets. Liabilities have likewise increased. This is primarily due to the acquisition of new equipment. Also, in 1981 operating revenue was substantially higher, net income increased by almost \$10,000, and retained

earnings increased by over \$8,000 after paying a stock dividend of \$27,450.

2. The financial statements were restated to correct errors in the company's original ones. The principal changes were: (1) to capitalize certain equipment and related debt that had been incorrectly recorded and (2) to reflect deferred interest, previously recorded as a current asset, as a reduction of related debt.
3. While current assets are approximately \$12,000 less than current liabilities and the ratio is less than 1, this does not mean that Sundance's economic condition is not viable. The \$27,450 cash dividend payment has had a temporary effect on this ratio and also on working capital.

The president of Sundance, who is in charge of the day-to-day operations of the business, including financial matters and dispatching, testified as follows:

1. He has been the financial advisor for Sundance since it commenced operations three years ago. The company's credit line has been increasing and is now over \$200,000 with one lending institution. Sundance has never had an operating loss and has always met its obligations.
2. With the equipment Sundance now has and the additional equipment it will obtain, it will have sufficient motor coaches for the services it is now authorized to provide and the service for which it seeks authority.
3. Most of the 1981 cash dividend by Sundance was paid to the president and vice president. They used this money to purchase the site at which the business is now located and lease it to Sundance. The company has arrangements with a Los Angeles-based carrier to handle necessary repairs or furnish backup equipment in that area.
4. Since commencing business in 1978, Sundance has operated 2,500 runs, operated nearly a million miles, and has had only two breakdowns where a bus had to be substituted. The last rating received by

Sundance from the Highway Patrol was A. It carries \$10 million in liability insurance.

5. Sundance's estimated Annual Income Statement for the first year of operations for the proposed SAN-LAX service (Exhibit Sundance 1-B) shows a net income, after state income tax, of \$42,840 which would result in a 24% return on investment. This is based on the two round trips per day and an estimated 16 passengers per trip northbound, 14 from SAN to LAX, one from SAN to ORX, and one from SAN to Pendleton. The projection does not include any southbound passengers because Sundance is not familiar with the market at LAX. Efforts will be made to develop this traffic. The estimated operating cost is around 90¢ a mile.

The vice president explained that he is responsible for customer relations, developing new areas of business, and tour operations for Sundance. He testified as follows:

1. The recent controllers' strike and other factors have resulted in a considerable reduction of commercial flights serving SAN, including flights operating between SAN and LAX. Air fares have been increasing. Also, there is frequently fog in the morning and evening hours at SAN which at times cause the airport to be closed. Sundance has provided fog charters for air lines in both directions between SAN and LAX and also charters between these points for travel agents. Because of the cost, travel agents do not charter unless there are 15 passengers. Based on these factors and market research by the witness, which included contacts with travel agents in the San Diego area and airline personnel and conversations at SAN with LAX-bound air passengers, there is a public need for the proposed per capita service.
2. The service would be advertised through travel agents, at airports, and on radio and other media. Tickets would be sold by travel agents and on buses. Sundance would primarily use an MC-5A motor coach for the service and would add extra equipment to a schedule, if necessary. Because of the

length of the trip, van equipment would not be comfortable for passengers.

3. Sundance has the necessary resources and line of credit to operate at a loss during the initial start-up period if such should occur.

Several of the applicants for the SAN-LAX route objected to Sundance's request for authority to provide this service. The proposed service between SAN and Pendleton was protested by Curtis. Curtis was granted a certificate to transport military personnel and/or their dependents and their baggage between SAN and the Pendleton Service Area using vehicles not exceeding 22-passenger capacity, including driver, and one additional vehicle with a capacity in excess of 22 passengers by D.89791 dated December 12, 1978 in A.58117, as amended by D.93074 dated May 19, 1981 in A.59950.

Sundance's vice president testified as follows in answer to cross-examination by the attorney for Curtis regarding the proposed SAN-Pendleton service:

1. Prior to filing the application, he did not know about Curtis' service. Upon becoming aware of it, he has noticed a large school-type bus at SAN with Bob's Ride painted on the side. The equipment Sundance would use would be more comfortable.
2. Curtis' schedule shows four round trips in the afternoon and evening hours and none in the morning. He has seen marines at SAN in the morning looking for transportation to Pendleton. Sundance would provide a morning trip.
3. There is now no direct common carrier passenger service from Pendleton to ORX or between Pendleton and LAX. Since Sundance proposes to provide this service on the SAN-LAX route and will be stopping at Pendleton, it is only logical that it serve between SAN and Pendleton. Sundance does not expect that it will handle many passengers between these points on its two proposed schedules. Service at Pendleton would be at the main gate only and not on the base. A local public transit system provides service into and on the base.

Because of a change in the hearing schedule, the attorney for Curtis was unable to present two members of the Marine Corps stationed at Pendleton, a sergeant and a corporal, as witnesses for his client. He has, however, furnished affidavits by each setting forth the information to which the affiant would have testified. Both are involved in the movement and transportation of troops. One is a passenger transportation clerk, and the other is a joint reception troop handler. According to the two affidavits, each has had an opportunity to observe the service provided by Curtis, which they have found to be prompt, reliable, courteous, inexpensive, and invaluable to Marine personnel traveling between SAN and Pendleton. Both asserted that Curtis has adhered to a regular schedule, they are not aware of any complaints against him, and they support a continuation of his service.

In its written closing statement, Sundance urged that it be authorized to provide the SAN-LAX route, including the proposed SAN-Pendleton service. It asserted that it has the financial ability, equipment, and experience to provide the service and that, based on its two schedules a day, its threat to Curtis would be, if anything, minimal.

The attorney for Curtis, in his written closing statement, pointed out that Public Utilities (PU) Code § 1032 provides in part as follows:

" . . . 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."

He argued that his client is providing a good and adequate service and meets the satisfactory test for an existing carrier. He asserted that this is clearly evidenced by the fact that the Marine Corps allows Curtis to both operate and have a ticket office on its base and by the two affidavits and letters from seven Marine Corps personnel attesting to the good and inexpensive service provided by

Curtis. The attorney explained that Curtis was providing only on-call service between December 1980 and June 1981 while he was waiting to have the restriction on his equipment size revised by the Commission and that since this was resolved, his client has provided both regularly scheduled and on-call service. He stated that Curtis is establishing a mid-morning schedule and operates on the base to and from the main installation where most personnel is stationed, which is 15 to 20 miles from the main gate. The attorney further argued that there is not sufficient traffic to support an additional carrier on his client's route, another carrier who had been certificated to serve this route has ceased operating, and the main gate has adequate service by Greyhound and Trailways from downtown San Diego. He urged that the request by Sundance or any other passenger stage operator to serve between Pendleton and SAN be denied.

3. A.60789 - NRS, Inc. (Fleetwood)

NRS has been in the passenger transportation business since mid-1980. It holds a passenger stage corporation certificate (PSC-1004), which was transferred to it from Daniel F. Stuart, doing business as Fleetwood Limousine Service, by D.92047 dated July 15, 1980 in A.59191, and a charter-party carrier of passengers permit. The certificate authorizes the on-call transportation of passengers and their baggage between SAN, on the one hand, and 18 communities and locations in San Diego County, on the other hand, including Oceanside, Fallbrook, and Escondido on the north. A restriction in the certificate limits vehicle size to 15-passenger capacity, including driver, for service for the seven communities that are located along Interstate 5 and Scripps Miramar Ranch.

NRS seeks the following additional on-call certificated passenger stage authority in this proceeding:

1. Between SAN, on the one hand, and San Clemente, San Juan Capistrano, Laguna Hills, San Pedro-Long Beach Harbor (SP-LB Harbor), ORX, LAX, and San Diego-La Jolla, on the other hand.

2. Between the 18 communities and locations in coastal and inland San Diego County NRS now serves, on the one hand, and SP-LB Harbor, ORX, LAX, Montgomery Field in San Diego, and San Diego Amtrak Railroad Station (SD Amtrak), on the other hand.
3. Between SD Amtrak and San Diego Visitor Information Center (SDVI Center) , on the one hand, and SP-LB Harbor, ORX, LAX, San Clemente, San Juan Capistrano, and Laguna Hills, on the other hand.

. The one-way fares per person range from \$11 between SAN and San Diego-La Jolla to \$42 between SAN, the 18 communities and locations NRS now serves, and SD Amtrak and SDVI Center, on the one hand, and LAX, on the other hand. Fleetwood will require that reservations for the proposed service be made at least 48 hours in advance so that it can plan the most cost-effective use of its vehicles. Except for the routes entirely in San Diego County, there would be a five-passenger minimum for the proposed service. However, this minimum would not be enforced during the first 12-month, start-up period. Fleetwood anticipates that there would be two morning and one afternoon trips on the proposed routes during this period. The service would include the same home pickup and return now provided.

Dr. Silverman owns all of the shares of NRS. For federal income tax purposes it is treated as an IRC Sub Chapter S corporation with operating results shown on Dr. Silverman's personal return. In addition to operating Fleetwood, NRS also operates various other separate business, including livery and courier services and convention and travel businesses.

The corporate offices of NRS are in San Diego. Its Fleetwood operation is based in San Marcos, where it has facilities for its equipment, maintenance, and dispatching. It now operates six luxury 15-passenger-size vans which have been modified to carry 10 to 11 passengers and their luggage. Fleetwood also has two Cadillac limousines for charter. All vehicles have radio communication equipment. Should the sought additional authority be granted, it would, within three months, obtain three additional vans similar to the type now operated.

Dr. Silverman personally guarantees all debts of NRS and its business enterprises, including Fleetwood. The personal financial statement of him and his wife and letters from San Diego branches of Wells Fargo Bank and Southwest Bank included in Exhibit Fleetwood 1-A clearly establish that adequate funds are available to Fleetwood to establish and operate the proposed service. According to the projected income statement for Fleetwood for the year 1982 included in the exhibit, its net income, before state income taxes, is estimated to be \$95,986 which includes \$31,730 for its proposed service.

The following evidence was presented by the general manager of Fleetwood and by the director of marketing and the owner of NRS:

1. Fleetwood is now transporting, on the average, 60 to 80 passengers per day, in each direction, between the places it now serves and SAN. It operates 5 to 6 vans per day, each of which make 3 to 4 runs. In addition to providing service directly to customers' homes, it also provides service directly to businesses, hotels, and the like.
2. As evidenced by copies of various data reports of the county and the San Diego C&V Bureau included in Exhibit Fleetwood 1, population, housing, and business in the county have been continually increasing over the past several years, particularly in the area of the county now served and sought to be served by Fleetwood, and the number of visitors to the county have likewise been increasing. Many of the visitors arrive by air or rail and need transportation to their hotels, motels, and other destinations. Also, the reduction in air service at SAN has further increased the need for the proposed service.
3. In its present operation, Fleetwood has a good working relationship with major hotels and travel agents. They favor the proposed service. Letters supporting the requested service have been received from some of them and from several businesses and the San Diego

C&V Bureau, copies of which are attached to the application or included in Exhibit Fleetwood 1.

4. Fleetwood now receives 3 or 4 calls a day for service to LAX, many of which are for per capita service. It also receives similar requests for service to cruise line docks in SP-LB harbor area. It now provides charter service to these locations. The minimum cost for such a charter is \$200.
5. Fleetwood has the ability to provide the proposed service and the financial resources to obtain any additional personnel, equipment, and facilities that may be necessary.
6. At least twice a week Fleetwood receives a call for service from people who have not been picked up by Carroll. Its fares are higher than those of Carroll; however, since it provides home service and Carroll does not, its customers are willing to pay the difference. Also, at times the Traveler's Aid at SAN will call Fleetwood for service to Pendleton when Curtis does not operate a schedule.
7. While some of the other business enterprises of NRS are not profitable, Fleetwood was granted a fare increase by D.93522 dated September 1, 1981 in A.60663 and is making money.
8. There is no per capita service similar to that proposed being offered to the public. This service would round out Fleetwood's operations. It is expected that there would be a balanced north-south demand for the service. Public convenience and necessity require that it be authorized.

Several of the other applicants objected to Fleetwood's proposal. Since Pendleton was not included in the additional sought service, Curtis did not protest the request. In her written closing statement, the attorney for Fleetwood argued that the evidence clearly establishes the need for the proposed service and urged that the application be granted. Two of the points that she emphasized were: (1) the proposed service is cost-effective because it would

not add any additional fixed station costs, and (2) the fares for the direct home service are high enough to break even at an average of five passengers per trip and are competitive with current alternative means of transportation.

4. A.60805 - W. Carroll (Airport Stage Lines)

Carroll has been in the passenger transportation business for several years. He holds a passenger stage corporation certificate (PSC-1135) granted to him by D.92290 dated October 8, 1980 in A.59245, a charter-party carrier of passengers permit (TCP-1520-P), and authority from the Commission to transport small shipments. He is also the owner of San Marcos Taxi Cab Company and other transportation-oriented businesses. The certificate authorizes the transportation of passengers and their baggage and express not exceeding 100 pounds per shipment between SAN, on the one hand, and the Palomar Airport (near Carlsbad), Rancho Bernardo Territory, Escondido, Vista, Fallbrook, San Marcos, Penasquitos, Poway, Carlsbad, and Encinitas, on the other hand. Fleetwood serves many of these same communities and locations. However, Fleetwood provides a pre-reservation service direct to the customer's home, business, and the like; whereas, Carroll provides service to or from specified points in the locations he serves.

Carroll seeks the following additional certificate authority, as amended at the hearing, to transport passengers and their baggage and packages not over 50 pounds in weight:

1. Scheduled service with one round trip per day between Escondido, San Marcos, Vista, Carlsbad, and Pendleton, on the one hand, and LAX, on the other hand, with an intermediate stop at ORX northbound to discharge passengers and their baggage and express shipments and southbound to pickup passengers and their baggage and express shipments.
2. On-call service requiring a two-day advance reservation over: (1) the same route listed in paragraph 1, and (2) between the same San Diego County locations on this route, on the one hand, and LA-LB harbor area, on the other

hand. (This is the same harbor area requested by Fleetwood. San Pedro is in the Los Angeles harbor area.)

3. Add Pendleton as a point served on its present authorized Palomar Airport-San routes.

The one-way fare per person for the proposed LAX or LA-LB harbor area service is \$20 and for the proposed ORX service is \$18. The fares would apply to both the scheduled and on-call services. The on-call service would not be provided for less than four passengers, which is the break-even load factor for the proposed service, or a minimum charge based on the fare for four passengers.

Carroll's business office and his facilities for garaging, maintaining, and servicing his equipment are in San Marcos. He owns two 1979 vans, an 11-passenger Ford and a 14-passenger Dodge. Generally, he alternates them in his present service with one as a backup. A third 22-passenger vehicle is being sought. He does not have a two-way radio communication system for his equipment. He now employs two drivers, and he and an office employee handle phone reservations and paper work for the business. He plans to use the new larger vehicle and hire an additional driver for the proposed service if it is authorized. Carroll requests that no restriction on equipment size be placed on any additional authority that might be granted to him.

In his present service Carroll now operates four round-trip schedules on weekdays and two on weekends. During the past month he has averaged four to five passengers per trip. There are more passengers to SAN than in the opposite direction.

Carroll's September 30, 1981 balance sheet included in Exhibit Carroll 1 shows assets of \$831,979, including \$758,350 in land and buildings and \$1,000 in cash designated for the business, liabilities of \$175,894, and a net worth of \$656,085. He testified that he has other assets but felt he had shown a sufficient amount on the balance sheet. His pro forma income statement for the first year

of operations with the additional sought authority shows revenues of \$91,980, expenses of \$75,810, and gross income, before income taxes, of \$16,170.

The amendment to the application was presented in writing at the hearing and was adopted by Carroll as part of his direct testimony. Since the amendment was not filed in accordance with the Commission's Rules of Practice and Procedure, it is received in evidence as Exhibit Carroll 1-C.

Following is a summary of the additional evidence presented by Carroll:

1. Substantially all schedules for the SAN service have been operated. Generally, the only times schedules have not been operated has been when there were no passengers because of flight cancellations due to the air controllers' strike. He provides a prompt, courteous, and reliable service for his customers, and because of this, his present operation has developed into a successful business.
2. There are 402,000 people within a 20-minute drive of Carroll's home base in San Marcos. One travel agent in the area has 2,000 clients a month passing through LAX in each direction. It is estimated that 4,000 air travelers originate daily in Carroll's north San Diego County service area and that half of them use LAX.
3. Carroll has received approximately 200 requests for per capita service to LAX during the past two months. He has discussed the proposed service with travel agents and military personnel in his service area, and all supported his request. Support letters were received from 13 of the travel agents. He also received a letter from a Marine Corps sergeant with the Military Information Service Office at SAN stating that Curtis did not give reliable service to military personnel at SAN between January and May 1981 and that a competitive reliable service between SAN and Pendleton would be desirable. This letter was an unsigned copy on which Carroll had added a verified

statement that he had received the original signed copy but had misplaced it. Additionally, he received a letter from the manager of the Pendleton Scheduled Airlines Ticket office stating that the office has approximately 8,000 bookings through LAX yearly and that a direct service between the two locations is needed. Copies of the letters are included in Exhibit Carroll 1.

4. Carroll has provided charter service for travel agents to LA-LB harbor area. No one is now providing the direct per capita airport and harbor service he proposes. It differs from the services proposed by the other applicants for Corridor 1. As stated, Fleetwood would provide service to a person's home; whereas, Carroll would serve only a specified point in a community. Both Sundance and Pinetree would use large buses; whereas, he would use 22-passenger or smaller equipment, at least initially.
5. The proposed service would benefit the environment by reducing the number of private automobiles on the highways. The service would be advertised in trade publications and by brochures at airports and hotels. Tickets would be sold by travel agents and on buses.
6. Carroll has sufficient financial resources to initiate and operate the proposed service and to obtain any additional equipment and personnel that might be required. Public convenience and necessity require the proposed service.

In answer to cross-examination by the attorney for Curtis, Carroll explained that although he does not serve Pendleton, he does have a sign in the window of his vans stating "Camp Pendleton via Carlsbad" in large lettering and under this "NCTD Connection" in smaller easily readable lettering. He asserted that the reason for the sign is to inform people at SAN destined for Pendleton that his service connected at Carlsbad with the Northern Counties Transit District's (NCTD) bus route to Pendleton. The witness stated that both NCTD and the Marine Corps provide service within Pendleton. He

testified that he has had a meeting with an official of Pendleton regarding authority to serve within the base should he be granted the requested operating rights.

Several of the other applicants for similar authority in Corridor 1 objected to Carroll's application. Curtis had the same objections to Carroll's request to serve between Pendleton and SAN that he had to Sundance's request for this route. Additionally, in his written closing statement the attorney for Curtis asserted that the marine stationed at SAN to whom Carroll made reference had informed Curtis that he had never signed any copy of the letter included in Exhibit Carroll 1 and that the marine had been moved and could not be produced to so testify. The attorney attached to his closing statement a letter from a marine which stated he was picked up by Carroll's van at SAN and informed that he would be taken to Pendleton but that when the van arrived at Oceanside he was told he would have to take the city transit bus to Pendleton. Also attached to the application were statements signed by a cab driver and one of Curtis' drivers asserting they had not seen any of Carroll's vehicles at SAN between September 17 and 23, 1981.

In his written closing statement Carroll asserted that he had clearly established the need for and his ability to provide the proposed service and urged that his application, as amended at the hearing, be granted.

B. Corridor 2 - Between City of San Diego
And Mammoth Resort Areas

By A.60565 Sundance seeks an additional certificate of public convenience and necessity to transport passengers and their baggage in automotive equipment between 4750 Kearny Mesa Road in the City of San Diego and Mammoth Lakes recreation area (Mammoth) via the following highways: State 163, Interstate 15, and U.S. 395 northbound, and reverse of the same route southbound. The service would be provided on weekends only during the winter ski season from the first weekend after January 1 to the first weekend after April 30. A single schedule would be operated. It would depart San Diego

at 6 p.m. on Friday and arrive at Mammoth at 2 a.m. on Saturday, and it would return from Mammoth at 4 p.m. on Sunday and arrive back at San Diego at 11:59 p.m. that night. There would be a rest stop in each direction. The route distance is approximately 400 miles in each direction. The round-trip fare would be \$50. No one-way service would be offered. A passenger could lay over at Mammoth provided the passenger notified Sundance and space is available on the returning vehicle the passenger wishes to use. K2
K2
K2

The same financial and background data presented by Sundance in A.60523 (Corridor 1) apply also to this application. Sundance's estimated income statement for the first year of operation of the proposed San Diego-Mammoth winter weekend service (Exhibit Sundance 1-A) shows operating revenue of \$27,750 and a net income, after state income taxes of \$3,660. The expenses shown in the statement include an 8% inflation factor. K2

Following is a summary of the additional evidence presented by the president and the vice president of Sundance:

1. Sundance has had considerable experience in serving Mammoth on weekends during the winter season in its charter operations for travel agents and ski clubs. In 1979 it operated 44 round-trips and transported approximately 1,600 passengers. In 1980 these numbers were 74 and 3,200, respectively, and in 1981 they were 63 and 1,800, respectively. The drop in 1981 was due to a short snow season. K2
2. There are many individuals in the San Diego area who desire round-trip service to Mammoth on weekends for winter sports but do not have reservations on a charter. Sundance receives 25 to 30 calls per week from such individuals. It refers them to Kopecky which does provide a per capita weekend service. It does not refer them to Greyhound because it has no direct service and takes about 36 hours each way for the trip. Based on surveys, contacts with travel agents, and the letter dated September 14, 1981 sent to the Commission by Mono County K2

Transportation Commission, there is a definite need for the proposed per capita service.

3. It is anticipated that initially one bus would be operated on weekends with a 35-passenger average load factor. Sundance has backup equipment should additional buses be needed. Sundance has the financial ability to provide the service. This run would account for approximately 5% of Sundance's overall operations and would be profitable.
4. The proposed service would be marketed through travel agents and ski clubs and shops. Advertising would include brochures at ski shops and perhaps radio spots. The Sierra Nevada Inn in Mammoth would make accommodations available for 32, and these would be sold by the ticket agencies. KH
5. It now costs between \$65 and \$110 for gasoline alone, depending on the size and age of the auto, to drive a private car between San Diego and Mammoth. The proposed service would reduce the number of such autos in the environmentally sensitive Mammoth area. KH
KH
6. Public convenience and necessity require the proposed service.

A formal protest to the proposed service was filed by Kopecky on June 1, 1981. Kopecky has been in business for a number of years. It was incorporated in 1967, and prior to that time was operated by its president. The business holds a Class A charter-party carrier of passengers certificate and was granted a passenger stage corporation certificate in 1966 to provide the same type of weekend winter service between Mammoth and San Diego for which Sundance requests authority. Following is a summary of the testimony presented by its president: KH

1. Kopecky operates 18 buses and can make 12 available for the Mammoth winter weekend service. There has been an increase in the number and activity of ski clubs in the San Diego area in the past 15 years. Kopecky now operates seven to eight buses on this run during the winter season. However, only one KH

is under its stage certificate, and the balance are under charters to travel agents, ski clubs, church groups, or other organizations.

2. The per capita fares, which have not been increased since 1975, are \$34 round trip and \$18 one way. Kopecky is considering a fare increase. The service is advertised in the telephone directory and by brochures at ski shops. The schedule is similar to the one Sundance would use. Lodging is arranged for those passengers wishing it.
3. When Kopecky inaugurated the per capita stage service, the patronage was poor. During the past five years, the bus has been full on only two weekends. Under present costs and fares, the bus must be operated at capacity for Kopecky to break even. Since this is seldom the case, the run has been losing money.
4. The number of per capita passengers per year for Mammoth is approximately 525. This is not nearly a sufficient number to support two operators. Both would operate at a substantial loss. KL
5. There is no need for the proposed service. Sundance's request to serve Mammoth should be denied. KL

In its written closing statement Sundance urged that its application to serve Mammoth be granted. KL

C. Corridor 3 - Between Bakersfield and Los Angeles International Airport

1. A.60598 - Pinetree Service Corp.

In Corridor 3 Pinetree requests authority to transport passengers and their baggage and also small packages not to exceed 50 pounds in weight between Bakersfield and LAX with no intermediate stops. The proposed passenger fare would be \$13 one way with no minimum number per trip. The package rates would be the same as those proposed for its sought Corridor 1 service. Two schedules per day would be provided in each direction, an early morning and an early afternoon departure from Bakersfield and a midmorning and an early evening departure from LAX. The distance and transit time in

each direction are 120 miles and 2-1/2 hours, respectively. The origin and destination point in Bakersfield would be the Bakersfield Inn. Pinetree would lease an air-conditioned, reclining seat, restroom-equipped bus from its affiliate CCB, and the service would be operated in a similar manner to that proposed for the SAN-LAX route. Additional schedules and leased equipment would be added if needed.

The following evidence regarding this route was presented by Pinetree's executive vice president:

1. Both Kern County and Bakersfield have had substantial increases in population over the past 10 years, and according to projections this trend will continue. However, air service between Bakersfield and LAX has been drastically reduced during the past two years and has been inadequate for some time. Between 200 and 250 passengers per day now travel by available air and surface carriers between these points. An estimated additional 800 people travel by private, rental, and company vehicles over this route each day. Pinetree's service would divert some of this latter group to public transportation.
2. Pinetree would actively promote its proposed service. It would budget around \$11,000 for this during the first six months start-up period and about \$1,000 a month thereafter.
3. There are obvious differences between the van service now provided by Sears and the large bus service Pinetree would provide. The potential market for public surface transportation between Bakersfield and LAX is of sufficient magnitude to support both services.
4. The witness contacted the Kern County Board of Trade, the Bakersfield Chamber of Commerce, all travel agents and some hotels in Bakersfield, and various businesses and industries in the Bakersfield and Los Angeles areas regarding their views concerning the proposed service. Generally, their responses supported the proposal.

5. As with the proposed Corridor 1 route, the pro forma income statement for the first six months of operation of the Corridor 3 route (Exhibit Pinetree 1-D) shows an operating loss of \$59,323, ranging from a loss of \$19,470 the first month to \$2,801 the sixth month. This is based on a passenger load factor per trip ranging from 10 the first month to 20 the sixth month. The break-even load factor of 25 passengers per trip would be reached by the seventh month. Once this is reached, the load factor and resulting profit would continue to increase. Pinetree has the financial resources to cover the initial loss and provide the service.
6. There is a public need for Pinetree's proposed service.

Three public witnesses testified in support of the proposed Corridor 3 route. All are officers in petroleum-related, waste disposal, and equipment maintenance companies. One of the three companies is a subsidiary of another company in which the president of Pinetree holds title to all of its stock. All have places of business in the Bakersfield and LAX areas. One also has facilities in Coalinga (100 miles northwest of Bakersfield) and in other states. The number of employees each has in Bakersfield ranges from 2 to 10. All have employees traveling between the Bakersfield and LAX areas. Because of the very limited air service, company vehicles or employees' autos are used for this transportation. They would prefer using the proposed service for their employees. Their estimates of use of the service varied from twice a month for three or four employees to once or twice a week for a single employee. All stated that Pinetree's terminal locations are convenient for them. One asserted Greyhound's Los Angeles terminal is too far away. None

was aware of Sears' Bakersfield-LAX service. Two stated they could perhaps use his service but preferred nonstop service. One stated that having two carriers on this route could be beneficial to the public.

Protests to Pinetree's request to serve Route 3 were filed by Greyhound and Sears. Greyhound advised by letter dated September 9, 1981 that since Pinetree had limited its proposal to airport service only with no intermediate service, its protest is withdrawn. Motions to dismiss Pinetree's request were filed by Sears and verbally renewed at the hearing. In his protest and motions Sears pointed out that he has recently been certificated to serve this route and has spent a substantial amount of money in starting up the service. He asserted that there is not sufficient traffic to support two carriers. He also asserted that it is Commission policy not to license a new carrier in a market where service has just been commenced by a recently licensed carrier and cited our decision in Cosmo Sales and Leasing, dba Checker Airport Transport (Cosmo), D.92081 dated July 29, 1980 in A.59284, as authority for this assertion.

Representatives of three of the six travel agents in Bakersfield testified on behalf of protestant Sears. According to the representatives, their companies do 65% to 70% of the travel business in Bakersfield. They pointed out that there are now only two flights a day by smaller commuter aircraft from Bakersfield to LAX and that Sears is satisfactorily fulfilling the needs for public surface transportation between the two places. All stated the vans operated by Sears are as comfortable as large buses. One sent several hundred clients to Sears last month for transportation to LAX, and most of these reservations were for round-trip transportation. The other two have similarly used Sears' service extensively. None have ever had a reservation request turned down or received any complaints regarding Sears' service. All are of the opinion that an additional carrier is not necessary. They are concerned that if another carrier is certificated, there would not be

enough business for two and both would go out of business. All would sell tickets for Pinetree if its request is granted. Letters were also received by ABB from all of the six travel agents and the Bakersfield travel office of the California Automobile Association.

The president of ABB explained that while Sears was granted the certificate in May 1981 to operate the Bakersfield-Saugus-LAX route under his dba BAX, the actual operation of the business is by ABB under an agency lease arrangement with Sears. Following is a summary of the evidence he presented regarding this:

1. In June 1981 Sears obtained the necessary personnel, equipment, and terminal facilities in Bakersfield for the service. He also made the necessary arrangements with LAX. At this time he was personally responsible for all of the business' debts.
2. ABB is a closed IRC Sub Chapter S corporation authorized to have a total of 10 shareholders. Its president is one of the shareholders and is also its chief financial officer and a director. He is also the vice president and chief financial officer of Pacific BanCorporation (PBC) a one bank holding company, and holds the same position with its three other subsidiaries, Pacific BanCorporation Financial Services, Pacific BanCorporation Data Systems, Inc., and PBC Venture Capital, Inc. Additionally, he is the senior vice president and chief financial officer of the bank, Community First Bank (CFB). The other nine shareholders of ABB are directors and/or officers of the parent corporation and/or its subsidiaries. The shareholders invested as individuals in ABB, and neither PBC nor any of its subsidiaries have any ownership interest in ABB. Sears is a director but not a shareholder of ABB and is also a vice president of PBC.
3. It was Sears' intent to involve investors in his passenger stage operation and set up a corporation. He contacted the 10 investors, and they were interested. The certificate of incorporation was issued to them in June 1981, and an agency arrangement was agreed upon between them and Sears. Service was commenced on July 3, 1981, and after this

date ABB assumed responsibility for all debts and funding of the business. A.60826 was filed in August 1981 for authority to transfer Sears' certificate to ABB in which event ABB would be the owner and operator of the business.

4. The agency agreement was reduced to writing and executed by the parties on July 10, 1981 (Exhibit Pinetree 1-L). The agreement, among other things, provided that: (a) because it would be confusing and costly to market and operate the company for a short time under the name BAX and then change it to ABB, the name ABB will be used for the business and shown on the equipment; (b) Sears would continue to operate the company; however, a management committee consisting of five directors of ABB, including Sears, will be formed to assist Sears in major decisions, such as equipment purchases, and to review the reports of daily operations; (c) ABB will pay salaries directly to Sears' employees; and (d) upon receipt of authorization from the Commission of Corporations and upon culmination of the IRC Sub Chapter S status of ABB on January 1, 1982, Sears will receive stock equivalent to a 15% interest in the company.
5. Tariffs and timetables have been filed with the Commission in the name of Sears, dba BAX (Exhibit Sears 1-O). The certificate of insurance is in Sears' name; however, ABB is shown on the insurance as the dba because this is the name shown on the equipment and under which the business is conducted (Exhibit Sears 1-N). The insurance company is aware of the agency relationship.

The president of ABB presented the following evidence regarding the operation of the service:

1. A substantial amount of capital has been invested in starting up the service. ABB's September 30, 1981 balance sheet for the first four months of operations shows assets of \$165,303, liabilities of \$263,864, including \$220,000 in long-term liabilities primarily for equipment, and an equity deficit of \$98,565. However, it has a line of credit from CFB of \$585,000 secured by

letters of credit to the 10 shareholders (Exhibit Sears 1-M). There have been \$370,000 in draw downs. It also has \$65,000 in investors' capital. Additionally, each of the investors are committed to the success of the business, and their combined net worth is in the millions of dollars.

2. During this first four-month period, ABB had sales of \$142,971 and a net loss of \$148,561. This start-up loss was expected. The patronage has now increased to 150-160 passengers per day, and this number should continue to increase to 210-230 per day by January 1982 at which time the operation would no longer be losing money. After this point the patronage should further increase and the company should earn more money each month. By the end of 1982 all initial losses should be recouped, and from then on the business should be profitable.
3. On August 3, 1981 ABB increased its daily schedule to 8 round trips. ABB's stop in Saugus is at Magic Mountain which is an amusement and recreational park operated by the Six Flags Corporation. With the closure of Magic Mountain on weekdays after Labor Day, only one trip in each direction stops there on weekdays and three southbound and four northbound on weekends and holidays. All others are nonstop between Bakersfield and LAX. Bakersfield-LAX nonstop service takes approximately 2-1/4 to 2-1/2 hours. A stop at Magic Mountain adds 3 to 5 minutes.
4. The one-way fare from Bakersfield to LAX is \$20 and to Magic Mountain is \$10. Children are one-half fare. ABB does not plan to increase the fares. Free parking is provided for customers at the Bakersfield terminal. Initially it directed its solicitation to businessmen but found that they preferred flying. It then undertook a major advertising campaign in the news and radio media and in travel publications directed to the general traveling public. This has cost at least \$20,000 so far. Tickets are sold by travel agents. Its seven 16-passenger buses are custom equipped with reclining seats, air-conditioning, and a stereo sound system.

Passengers can stand in them. ABB is now obtaining three 42-passenger, 1969 Eagle 07 buses. They have restrooms and the same amenities as the vans. They will be used for the peak morning and afternoon runs. ABB has no plans at this time to purchase any additional equipment.

5. The president estimated the total number of potential passengers per day for air carrier and bus service between Bakersfield and LAX to be 742. He based his estimate on 1980 passenger data obtained from Meadows Field Airport in Bakersfield, information from local travel agents, and his own projections. With the buses it is acquiring, ABB will have 568 seats available on its eight round trips. Golden West Airlines, the only air carrier now operating between the two points, has 192 seats available on its two round trips. The total seats for the two is 760. According to the witness, a new jet airline is soon to inaugurate two daily round trips on this route and will add another 380 seats for a total of 1,140 for both directions. The president pointed out that even assuming a 50% increase in his estimate of potential daily patronage to 1,113, there would be sufficient seats to accommodate this number. He asserted, however, that the more realistic estimate of potential daily patronage for these carriers is 742 passengers per day in both directions.
6. According to Exhibit Sears 1-G, ABB transported 7,712 passengers and had an average load factor of 35.9% during its first three months of operations through September 1981. Excluding the fourth week of September, there was, with some exceptions due to vacations and holidays, a steadily increasing trend in patronage and load factor, ranging from 188 and 10.2%, respectively, to 793 and 44.2%, respectively. During the fourth week of September there was a jump in patronage and load factor to 1,369 and 76.4%, respectively. A significant factor causing this increase was the termination at this time of Bakersfield-LAX service by Swift Airlines. Even with this added patronage,

ABB has empty seats. On peak schedules, it has always added an extra bus when necessary to accommodate demand. It has never refused a reservation. With the 42-passenger equipment it is acquiring, it will be able to accommodate any future increases in demand that may arise. An additional bus carrier on this route would seriously dilute the available market with a resulting adverse effect on ABB's financial position.

In his written closing statement, the attorney for Pinetree questioned the standing by either Sears or ABB to protest his client's request for this route. In this regard, he argued that the certificate was granted to Sears who turned over the operation to ABB without prior authority and that ABB has been providing a passenger stage service without the required Commission authority. Additionally, he asserted that there are differences between the all nonstop large bus service proposed by Pinetree and that now provided by Sears and that there is a sufficient public need to support both services. He urged that his client's request to serve this route be granted.

The attorney for ABB in his written closing statement argued that the evidence clearly establishes that his client has the capacity to adequately serve all present and future public demand for service on this route. He asserted that public convenience and necessity do not require an additional carrier. He emphasized that the investors in ABB have committed a tremendous amount of money in cash and guarantees to the success of the operation and that they are all local businessmen who are determined to perform a needed full service bus operation for their community. He stated that although ABB's fare is \$20 and Pinetree's proposed fare is \$13, ABB provides eight round trips per day, some of which are at off-peak hours; whereas, Pinetree offers only to skim the peak hour traffic. He argued that this would be outrageous and urged that Pinetree's request be denied.

2. A.60430 - Rehearing D.93117

Application 60430 was filed by Sears on April 10, 1981 and requested authority to transport passengers between LAX, on the one hand, and Bakersfield or Magic Mountain, on the other hand. The application was amended on May 4, 1981 to delete the restriction that passengers must originate or terminate at LAX and authorize service between the three points, including service between Bakersfield and Magic Mountain. The application, as amended, was granted by D.93117 dated May 19, 1981. The request for rehearing of the decision was filed by Greyhound on June 17, 1981. In its filing Greyhound asserted: (1) it did not protest the original application which was restricted to airport service only; (2) the May 4, 1981 amendment broadened the application to allow service between all points; (3) it filed a protest to the amended application on June 3, 1981; (4) its protest was returned to it by the Commission's Docket Office with a statement that the application, as amended, had been granted on May 19, 1981 by D.93117 and the matter was closed; (5) the decision was issued prior to the expiration of the 30-day time period provided in Rule 8.3 of the Commission's Rules of Practice and Procedure for filing a protest; and (6) because of this, rehearing should be granted. D.93464 dated August 18, 1981 granted the rehearing but did not stay D.93117 which was effective on the date it was issued.

Evidence on behalf of Greyhound was presented by its district manager for certain territory north of Los Angeles, including Bakersfield and Magic Mountain. According to his testimony Greyhound's protest to ABB's authority was to the Magic Mountain service and in particular to the Bakersfield-Magic Mountain service.

Greyhound has extensive operating authority in the State, including authority to serve between Bakersfield, Magic Mountain, and Los Angeles. It has 1,918 intercity buses licensed in California, all of which are air-conditioned with reclining seats, restrooms, public address systems, and various other amenities. It has terminals, backup equipment, and extra on-call drivers at both Bakersfield and Los Angeles. Greyhound has provided scheduled

service at Magic Mountain since it opened nine years ago. During the present off-season for Magic Mountain, while it is open on weekends and holidays only, Greyhound is operating four southbound and two northbound schedules between Magic Mountain and Bakersfield and various schedules with intermediate stops between Magic Mountain and Greyhound's Los Angeles terminal. An additional schedule in each direction is to be added between Bakersfield and Magic Mountain.

Following is a summary of the additional evidence presented by the district manager:

1. By letter to the witness dated October 9, 1981 (Exhibit Sears 1-Z), the tour and travel sales manager for Magic Mountain stated that Greyhound has provided reliable service to tourists to the park and has promoted the park in brochures and posters. She also stated that for the year to date Greyhound sold 17,586 package plans to the park. These were from numerous origins throughout the United States.
2. During July and August 1981, Greyhound sold 10 one-way and 116 round-trip tickets between Bakersfield and Magic Mountain. This is approximately 6% less than ticket sales for the same two months in 1980. The fare is \$6.30 one way and \$12.10 round trip. The one-way distance and transit time are about 85 miles and one hour and 45 minutes, respectively. Greyhound also sold numerous regular and excursion tickets from Los Angeles and surrounding areas for Magic Mountain during this period. Greyhound does not serve LAX. Anyone wishing to use its Los Angeles service to Magic Mountain from LAX would have to take the Airporter Bus from LAX to Greyhound's terminal.
3. Greyhound spent approximately \$6,729 in 1980 on brochures and posters advertising its service to the various amusement parks operated by Six Flags in various parts of the United States, including Magic Mountain. The amount of this attributable to advertising the Bakersfield-Magic Mountain service would not be significant.

4. Greyhound's schedules serving Magic Mountain also serve various beyond points. As shown in Exhibit Sears 1-AE, Greyhound had a substantial number of empty seats leaving Bakersfield southbound and Los Angeles northbound on these schedules.

In summing up Greyhound's position, the district manager testified that Greyhound has the capacity to adequately meet the needs of the public for Magic Mountain service. He asserted that 40% of Greyhound's service is operated at a loss and that needed revenue from this service to help offset this loss should not be diverted to a new carrier. Greyhound urged that the authority to serve Magic Mountain granted to Sears by D.93117 and operated by ABB be rescinded.

Most of the evidence presented by ABB regarding its operation of Sears' authority is set out above in the recitation of its protest to Pinetree's request to serve between Bakersfield and LAX. In addition, the president of ABB testified that a concerted effort has been made through its advertising campaign and with local travel agents to promote its Bakersfield-Magic Mountain service. He stated that his company has a good relationship with Magic Mountain and during a promotion period sold vouchers for it. As shown in Exhibit Sears 1-G, the total of number of passengers transported by ABB to and from Magic Mountain in July and August was 504. The witness explained that very few Magic Mountain passengers originate at LAX and that substantially all of this number traveled on round-trip tickets from Bakersfield. He testified that with the closure of Magic Mountain on weekdays after Labor Day, there has been a seasonal decline in the number of passengers to it. He asserted that there is a public need for ABB's Magic Mountain service.

The tour and travel sales manager of Magic Mountain testified on behalf of ABB. She stated that Magic Mountain advertises extensively in the Bakersfield area, primarily by radio. The witness testified that there is an arrangement with ABB for it to sell Magic Mountain vouchers to its passengers, and ABB is billed monthly for the number sold. She stated that ABB's service is good.

She explained that ABB promotes Magic Mountain and Magic Mountain promotes ABB. In answer to cross-examination by Greyhound's attorney, the witness testified that her company has the same voucher arrangement with Greyhound and that Greyhound gives a good service to Magic Mountain.

In his written closing statement, ABB's attorney argued that ABB has not diverted any of Greyhound's patrons to its service but has developed new traffic by its aggressive advertising and marketing campaign. He urged that Greyhound's protest be disregarded.

3. A.60826 - Airport Bus of Bakersfield, Inc.

By this application, ABB has requested authority to acquire the certificate granted by D-93117 to Sears. Additionally, ABB requests that authority to provide small package express service be added to the certificate. The application asserts that ABB has the necessary financial resources and ability to provide the proposed service and that the transfer would not be adverse to the public interest. By its A.60772 ABB also requested a Class B charter-party carrier of passengers certificate from its home terminal in Bakersfield using equipment with passenger seating capacity not exceeding 16. (This certificate was granted by D.82-02-123 dated February 17, 1982.)

Evidence relating to the background, financial ability, and fitness of the parties, to the relationship between them, and to the manner in which the business has been operated has been recited above and need not be repeated.

Both Greyhound and Pinetree contend that ABB is and has been operating Sears' certificate without the required authorization from the Commission to do so. Because of this asserted illegality, it is their position that not only should the transfer be denied but the certificate granted to Sears should also be revoked.

The attorney for ABB argued that irrespective of what the Commission's ultimate determination might be with respect to the Sears-ABB agency relationship, there is simply no evidence whatsoever

to the effect that the public interest has been placed in jeopardy because of this. He asserted that the fitness of the two has not been shown to be questionable. With respect to the request for package express authority, the attorney explained that ABB is now carrying such express which has a prior or subsequent movement by air carrier and is not subject to regulation. He stated that two Bakersfield companies have requested ABB to carry small packages of machine parts and equipment to LAX for pickup there by their branch plants located nearby. It is for this traffic, which will account for only a very small amount of the total, that the request has been made. The attorney urged that the transfer be authorized and the package express authority be granted.

IV. Discussion

A. Preliminary Statement

The evidence and positions of the parties have been adequately summarized above and will not again be set forth in detail in our discussion. The applications will not be discussed individually. They will be grouped together according to the particular corridor or corridors sought to be served.

The major issues to be considered in any request for a passenger stage certificate are whether public convenience and necessity require the proposed service and the applicant's knowledge and experience in the passenger bus field, its financial ability to initiate and provide the proposed service, and its fitness. If there is an existing passenger stage operator in the territory sought to be served, an additional issue is whether such carrier is providing service satisfactory to the Commission. In determining the satisfaction of service differences in the proposed and existing

services will be considered. In a request to transfer a certificate, a primary issue is whether the proposed transfer would be adverse to the public interest.

B. Corridor 1 - Between San Diego and
Los Angeles International Airport Areas

Pinetree in A.60598, Sundance in A.60523, NRS in A.60789, and Carroll in A.60805 each request authority to provide passenger stage service in this corridor. Additionally, Pinetree and Carroll seek authority to transport small express packages not exceeding 50 pounds in weight. Upon the withdrawal by Babcock of his A.60818 and assurance that NRS and Carroll would not directly compete with the passenger stage services they are providing, 24-Hour Express, Inc. and Airport Service, Inc. withdrew as protestants. Except for the protest by Curtis to the requests by Sundance and Carroll for authority to operate between Pendleton and SAN, there are no other protests to any of the other requests other than the objection by each applicant to the others.

While there are both similarities and differences in the specific points sought to be served by each, all four applicants request authority to serve between some locations in the coastal and inland San Diego and southern Orange Counties area, on the one hand, and LAX, the cruise ship piers in the LA-LB harbor area, and/or ORX, on the other hand. None seek authority to provide local service between LAX and ORX. Sundance and Carroll also request authority to serve between Pendleton and SAN. Additionally, NRS requests authority to provide the following service within San Diego and Orange Counties: (a) Between SAN, on the one hand, and the City of San Diego-La Jolla, on the other hand, (b) between SAN, the Amtrak Railroad Station, and the Visitors Information Center in the City of San Diego, on the one hand, and San Clemente, San Juan Capistrano, and Laguna Hills, on the other hand, and (c) between the 18 San Diego County points it is now authorized to serve in connection with its SAN service, on the one hand, and Montgomery Field and the Amtrak Railroad Station in the City of San Diego, on the other hand.

We will first consider the requests to serve LAX, the LA-LB harbor area, and ORX. The evidence clearly demonstrates a public need for direct passenger stage service between these points, on the one hand, and the various locations in San Diego and Orange Counties sought to be served by the individual applicants, on the other hand. In this connection, the evidence establishes that:

1. There is now no direct passenger stage service for the individual traveler between these points. The only direct bus service that does exist is by charter, and the cost of such service is generally prohibitive to the independent traveler.
2. While there is passenger stage and rail service in Corridor 1, an individual wishing to use per capita ground service between these points would be required to make numerous connections. This would be extremely inconvenient and time-consuming.
3. There has been and continues to be significant increases in both population and tourism in the areas of San Diego and Orange Counties the four applicants would serve, and in particular in and around the City of San Diego.
4. There have been substantial reductions in both domestic and foreign commercial air service at SAN, including local SAN-LAX service. Now numerous air travelers between the area of San Diego-Orange Counties in question and places outside the state must use LAX for their flights. Because of the reduced SAN-LAX air service, many of these are now using private or rental autos for their transportation to or from LAX.

The next matter for discussion is the experience, financial ability, and fitness of the four applicants. The evidence clearly shows that all are experienced operators in the passenger bus transportation field. NRS took over its Fleetwood business from an existing operator over a year ago and owns other transportation businesses. The other three have each been in business for several

or more years. Pinetree and Sundance each hold Class A charter authority, a sightseeing passenger stage certificate, and ICC charter and special operations rights. Both operate large intercity buses. NRS and Carroll each have passenger stage authority to serve between SAN, on the one hand, and various points in western San Diego County, on the other hand, and also charter permit authority. These two operate van-type equipment. Carroll intends to obtain a 22-passenger vehicle.

Based on the economic data presented by each, all four applicants have the necessary financial ability and backing to initiate and operate the service they propose. Pinetree and its subsidiaries have a net worth of \$1,808,932. Sundance has a net worth of \$429,853. The owner of all of the stock of NRS, which is an IRC Sub Chapter S corporation, and Carroll each have a significant net worth and have guaranteed the operations and debts of their respective passenger stage companies. All assert that their present passenger operations are successful. According to the pro forma financial data presented by them, the service proposed by each would, after the initial start-up period, be profitable. For this service, Pinetree would lease the necessary equipment from its affiliate, and Sundance, NRS, and Carroll would obtain any additional equipment that may be necessary. All have existing terminal facilities in the area they would serve.

With respect to the fitness of each of the four applicants, we look at a number of considerations. Generally, it is based on the past record of an applicant. If it has engaged in illegal operations or has, with some degree of regularity, failed to provide service in accordance with its published and filed timetables, such matters would weigh heavily in a determination of this issue. There is nothing in the record before us that would raise any serious doubt regarding the fitness of Pinetree, Sundance, or NRS.

As to Carroll's fitness, he did admit that initially he served Pendleton under the mistaken belief that he had the right to do so. He asserted, however, that upon being informed by the

Commission staff that his authority did not include Pendleton, he immediately stopped. Also, there is some evidence that Carroll did fail to pick up passengers on his routes at times and that the Pendleton sign on his equipment may give the public at SAN the impression that he serves the Marine Corps base. In answer to this he explained that he has missed very few of his scheduled runs, and this has only occurred when airlines have canceled flights at SAN and there were no known passengers for the particular scheduled run. He further explained that although word sizes vary on his Pendleton sign, it is his opinion that it is easily readable and clearly informs people that they can take his service from SAN to Carlsbad and connect there with NCTD service to Pendleton. We will accept Carroll's explanation that he has never knowingly either failed to pick up passengers for any scheduled trip or misled the public regarding his service.

We will, therefore, based on this interpretation of Carroll's intent, conclude that there is sufficient mitigation regarding his past actions and that they do not in and of themselves establish him to be an unfit operator. However, Carroll is placed on notice that it is his duty as a passenger stage carrier to operate all trips shown on the schedules in his filed timetables, and the fact that he may believe there will be no passengers for a particular trip does not excuse him from this obligation.

Having determined that public convenience and necessity does exist and there is nothing in the record to seriously question the ability and fitness of any of the four applicants, we come now to the question of the extent to which any or all of the requests to serve LAX, the cruise line piers, and/or ORX should be granted.

With the exception of the sought service by Sundance between Pendleton and SAN which will be discussed later, we are of the opinion that the requests by Pinetree and Sundance to serve in Corridor 1 should be granted. As stated both are large intercity bus operators. The service proposed by both is primarily an inter-airport service between SAN and LAX. Each would serve different

intermediate points, Carlsbad and San Clemente with no local service between the two by Pinetree, and Pendleton and ORX northbound and Pendleton southbound with no local ORX-LAX service by Sundance. It is the intent of each to initially operate two round trips per day. No existing passenger stage corporation provides a similar service. According to the market data of record for this corridor, there should be sufficient business to support both services. Furthermore, competition will generally result in a superior overall service for the public and have a direct bearing on rates.

Again with the exception of the sought service by Carroll between Pendleton and SAN and with the exception of the additional sought service by NRS in southern Orange and San Diego Counties both of which will be discussed later, we are of the opinion that the requests by Carroll and NRS should be granted. These are the only two that would serve the cruise line piers in the LA-LB harbor area. NRS would provide a luxury van-type service requiring a two-day advance reservation directly to the customer's home, business, or other similar location. Carroll would operate either van-type equipment or a 22-passenger vehicle. He would provide a single daily round-trip schedule to and from LAX and ORX and also a two-day advance reservation service to and from the two airports and the harbor area. Carroll would serve only a specified point in a community, and customers would have to provide their own means of transportation between this point and their home, business, or other such location. The services proposed by both NRS and Carroll differ significantly from each other and from the large inter-city bus services proposed by Pinetree and Sundance.

We are authorizing Sundance and Carroll to provide the Pendleton-LAX, ORX, and LA-LB harbor area service each proposes. As stated both also request authority to serve between Pendleton and SAN. Curtis, an existing passenger stage corporation now serving between Pendleton and SAN, strongly opposes the two requests. In such circumstances PU Code § 1032 requires that we make a

determination that the existing carrier will not provide service satisfactory to the Commission as a prerequisite to certificating any new carrier for the same route.

According to Curtis there is not sufficient business between Pendleton and SAN to support another passenger stage operator much less two. He asserted that the lack of substantial patronage is evidenced by the fact that another carrier that had been certificated to serve this route has gone out of business. He now operates four daily round trips in the afternoon and evening hours. There is some evidence that there have been marines at SAN in the morning looking for bus transportation to Pendleton. Curtis is adding a midmorning schedule to remedy this. Also, according to the evidence presented by Carroll, Curtis did not provide a reliable service during the first six months of 1981. In his brief, Curtis explained that during this period he had a request before the Commission to remove a 22-passenger equipment size restriction from his certificate and was primarily operating an on-call service with his smaller equipment. He asserted that since being authorized in mid-1981 to operate one large bus on this route he has faithfully operated all of his scheduled service.

Other than some support letters and assertions by the parties, there is nothing in the record on which to make a definitive determination of the extent to which there may be a public need for service by additional passenger stage operators between Pendleton and SAN. For the purposes of this proceeding, we will accept the assertions by Curtis that he is now and has since mid-1981 been providing a good and reliable service on this route and is adding a midmorning round trip.

It is noted that Curtis serves the main military post at Pendleton which is 15 to 20 miles from the main gate. It is Carroll's intent to obtain authority from the Marine Corps to also serve on the base. Sundance would serve the main gate only. Carroll would have a separate route between Pendleton and SAN with intermediate stops. Sundance would serve the Pendleton main gate as an intermediate point on its LAX-SAN route.

Other than equipment size and intermediate stops by Carroll, the service he proposes between Pendleton and SAN would be in substantial competition with Curtis. Based on PU Code § 1032 and the lack of substantive evidence to support his Pendleton-SAN request, we will not add Pendleton to Carroll's present SAN certificated authority. Having so determined, Carroll is also placed on notice that if he is to continue to have a Pendleton sign on his equipment, it should include language that will clearly inform the public at SAN that the Carlsbad connection is via a separate company at an additional fare. Such wording should be of sufficient size so as to be clearly visible. It is likely that many air travelers to SAN from other locations would not understand or perhaps even take notice of the smaller wording, "NCTD Connection", on his present sign.

There are sufficient differences between the service proposed by Sundance and that provided by Curtis so that PU Code § 1032 is not a factor in Sundance's Pendleton-SAN request. As indicated above Sundance would serve the main gate only as an intermediate point on its LAX-SAN route; whereas, Curtis operates only between the two places and serves on the base. Anyone using Sundance's main gate service would have to use other means of transportation on the base. Curtis has four round trips a day and is adding a fifth. Sundance will have only two initially, and it is unlikely that for the foreseeable future this would be increased to a significant number. Irrespective of whether Sundance is or is not authorized to serve between these points, it would be stopping at the main gate northbound on its route to pick up any passenger for LAX or ORX and southbound to discharge any passengers from LAX. Since it will be required to stop at the main gate, it would not be in the public interest to prohibit it from picking up passengers at SAN desiring transportation on its vehicle to the main gate and vice versa. It should be allowed to serve the public need that does exist for its proposed service between the two points. Sundance's request to serve between the main gate at Pendleton and SAN in connection

with LAX-SAN service will be granted. The authority to be granted will not allow Sundance to operate a separate Pendleton-SAN route.

We come lastly to the request by NRS to provide additional service in the western part of San Diego and southern Orange Counties. As with its present service, this would also be a luxury van-type service requiring a two-day advance reservation. As the evidence establishes, population and tourism in this area has been increasing at a significant rate. A satisfactory showing of public convenience and necessity has been made. There were no specific protests to this part of its application. The request will be granted.

In summary, we will grant in its entirety the authority requested in Corridor 1 by Pinetree in A.60598, by Sundance in A.60523, and by NRS in A.60789. As to Carroll's A.60805, we will deny his request to add Pendleton to his present SAN certificate and grant the balance of the authority he requested in this corridor. Pinetree's request in A.60598 to serve between Bakersfield and LAX is discussed below. No additional authority was sought in the other three applications.

C. Corridor 2 - Between City of San Diego and Mammoth Resort Area

Sundance requests authority in its A.60565 to provide a special and limited passenger stage service designed for a particular segment of the public. Specifically, it requests authority to provide a weekend service for skiers from a specific location in the City of San Diego to Mammoth and return, leaving early Friday evening and returning late Sunday night, during the January to April winter season. During the past three years it has operated many charter buses to Mammoth on weekends during the winter season for travel agents and ski clubs. It certainly has the experience to provide the sought service. We have made an affirmative determination of its financial ability and fitness in our above discussion of its A.60523.

Protestant Kopecky has held similar authority to that sought by Sundance for a number of years. It asserts that it is providing good service and adequately meeting the needs of the public on this route. It is its position that since it is providing satisfactory service, PU Code § 1032 prevents the certification of another passenger stage corporation to operate the same service. We do not agree.

The service that Kopecky is providing and which Sundance would provide, if authorized, is a recreation-oriented service designed primarily for weekend skiers and is operated only during the winter sports season. While strictly speaking it is not a sightseeing tour service, it is far more akin to such luxury service than to essential regular point-to-point transportation. Generally, sightseeing service is round-trip transportation for the purpose of viewing sights or other attractions. While Kopecky offers both one-way and round-trip service, it is obvious that most customers would use its service on a round-trip basis. Sundance would offer round-trip service only with stop-over privilege. The purpose of both services is to transport people to a resort area to participate in an attraction, namely winter sports, and then return them to the origin of the trip.

In a number of recent decisions we have consistently held that monopoly service in the sightseeing field tends to create unsatisfactory service to the public and that competition between sightseeing carriers has a direct positive bearing on quality of service, rates, schedules, and operational innovations generally. (See O'Connor Limousine Service, Inc., D.90154 in A.56580 and Mexcursions, Inc., D.90155 in A.57763, both dated April 10, 1979.) This same reasoning regarding the satisfactory service test of existing carriers is applicable to the particular type of special service here. Having so determined, the existing carrier provision of PU Code § 1032 is not a bar to our consideration of Sundance's request.

We come now to the issue of whether public convenience and necessity require the proposed service. According to Sundance, it receives 25 to 30 requests each week during the winter for per capita weekend service to Mammoth and return. Its vice president testified that based on its surveys and information from travel agents and the Mono County Transportation Commission, there is a public need for its service. According to Kopecky, while there has been an increase in the number and activity of local ski clubs and it operates numerous charter buses to Mammoth on winter weekends, only one bus is operated under its passenger stage certificate, and this bus has been full only twice in the past five years. It is Kopecky's position that there is not sufficient per capita demand to support two passenger stage operators.

We recognize that the evidence presented by Sundance regarding public need is not extensive. Nonetheless, according to this evidence, there are number of individuals who would use its per capita weekend service to Mammoth during the winter. We are of the opinion, based on the particular facts and circumstances, that it has been sufficiently established that public convenience and necessity require the proposed service. The application will be granted.

D. Corridor 3 - Between Bakersfield
and Los Angeles International Airport

In our discussion of the three applications concerned with Corridor 3, we will first take up the rehearing of D.93117 in Sears' A.60430 granted by D.93464. This will be followed by a discussion of ABB's A.60826 and then Pinetree's request in A.60598 to operate in this corridor.

In A.60430 Sears was granted a certificate to provide passenger stage service between Bakersfield, Saugus, and LAX. As the record shows the rehearing requested by Greyhound was granted on procedural grounds. D.93117 was granted less than 30 days after an amendment had been filed, and a protest by Greyhound after the decision but within the 30-day period provided in the Commission's rules had not been accepted.

Greyhound's concern with the certificate granted Sears is principally with the authorization to provide service between Bakersfield and Magic Mountain at Saugus which Greyhound also provides. While there may be some passengers traveling between the two points for other reasons, the substantial majority of the passengers are customers of the Magic Mountain amusement park. This is primarily a recreation-oriented service. For the same reasoning stated in our discussion of Sundance's A.60565 Mammoth request, the existing carrier provision of PU Code § 1032 is not in and of itself a prohibition to the certification of Sears to operate between the two points.

As the evidence shows, the actual operation of the authority granted Sears is by ABB under an agency lease arrangement with him. Both Greyhound and Pinetree question the propriety of this arrangement. However, before taking this up, we will first consider the public convenience and necessity issue under Sears' certificate.

The record establishes that a public need does exist for service under Sears' certificate between Bakersfield and Magic Mountain. In its operation of the service, ABB has promoted Magic Mountain through travel agents and the advertising media. Magic Mountain has joined in some of this. As a result a public demand for its service has been stimulated. Greyhound, on the other hand, does have empty seats between the two points. It is its position that needed revenue from this route to offset losses on other routes it is required to serve should not be diverted to another carrier. The evidence, however, does not establish that there has been any meaningful decline in the number of passengers handled by Greyhound in this service this year when compared with last year. It is apparent, therefore that the traffic handled by ABB has been developed primarily through aggressive marketing and advertising and not through diversion of passengers from Greyhound. Furthermore, the record does not establish that any revenue loss Greyhound might have is attributable solely to ABB.

The evidence clearly shows that ABB has the necessary personnel, equipment, facilities, financial ability and backing, and experience to conduct the passenger stage business it has operated under the lease arrangement with Sears since July 1981. The evidence further shows that when he obtained his certificate in June 1981, Sears had the necessary financial resources and backing to initially obtain the personnel, equipment, terminal facilities, and make the necessary arrangements with LAX to serve there.

The last matter for discussion on the rehearing is the fitness issue. Sears was found to be a fit person when the certificate was granted to him. The question in issue is whether because of the lease arrangement, either or both Sears and ABB are unfit and the certificate granted to Sears should be revoked. Our answer is that neither has been shown on this record to be unfit and that D.93117 and the certificate granted to Sears by this decision should be affirmed.

The chronological events that have occurred with Sears certificate from issuance, to lease arrangement with ABB, to its present operation are detailed above in our recitation of the evidence. When Sears obtained his certificate and set up his passenger stage business, it was his intent to incorporate it and involve other investors. He did involve investors but they set up their own corporation, ABB, in which he was made a director but was not a shareholder. He thereupon entered an agency lease arrangement with ABB whereby it operated his passenger stage business. Sears had some voice in the operation but not control. All of this was without Commission authority. Tariffs and timetables were filed with the Commission in Sears' name. Also, insurance was in Sears' name. Sears is to become a 15% shareholder in ABB. The name ABB is shown on the equipment. On August 18, 1981, A.60826 to transfer Sears' certificate to ABB was filed.

It is apparent that the agency lease arrangement resulted in a transfer of control of Sears' operating rights to ABB without Commission approval. However, it does appear that this was a good

faith transaction between the parties and that there was no intent by either to violate any regulations governing passenger stage corporations. Furthermore, an application has been filed to authorize the transfer. Additionally, as the evidence shows Sears and ABB have invested time, money, and commitment in establishing the business and no adverse effect to the public has resulted from the arrangement. While we have found the fitness of Sears and ABB not to be in question on this record, both are placed on notice that it is the duty of any holder of a passenger stage corporation certificate to be knowledgeable of and comply with all rules and regulations governing such certificates and operations conducted under them.

Having determined on rehearing that the certificate of Sears should be affirmed, we come next to the request in A.60826 to transfer it to ABB. As stated ABB has been operating the business and has the necessary equipment, personnel, facilities, financial resources and backing, and fitness to continue to operate it. There is nothing in the record that would lead to a conclusion that the transfer could in any way adversely affect the public interest. The transfer request in A.60826 will be granted. Also, the request in this application to add authority to transport express shipments to the certificate will be granted. Greyhound's protest to the express shipment authorization is not persuasive.

Lastly for discussion is the request by Pinetree in A.60598 to provide passenger stage and small express package nonstop service between Bakersfield and LAX. This request has been protested by Sears/ABB, referred to in the following discussion as ABB.

Pinetree's experience, ability, financial condition, and fitness have been determined to be satisfactory in our above discussion of its request to serve in Corridor 1. The issues with which we are concerned here are: (1) the existing carrier provision in PU Code § 1032, and (2) public convenience and necessity.

As to the first issue, ABB has been providing service since July 1981. It has had a substantial start-up expense. It

anticipates that its monthly operations will not reach a break-even point until early 1982 and that monthly revenues will then exceed expenses. However, it estimates that its initial losses will not be recouped until the end of 1982 after which time the service will return a profit. Pinetree similarly estimates a loss during the first six-month start-up period, which would require the balance of the year to recoup, and a profitable operation from then on.

Although there are some differences, the service proposed by Pinetree is basically similar to that provided by ABB. Following is a brief comparison of the two:

1. Operation - Both would transport passengers and express between Bakersfield and LAX.
2. Schedules - Pinetree would operate two daily round trips during the peak demand hours and add additional schedules if demand required. ABB now operates eight daily round trips during both peak and off-peak demand hours. Some of ABB's buses stop at Magic Mountain with the frequency of this depending on whether it is open. The stop does not require more than five minutes.
3. Equipment - Pinetree would initially operate one large air-conditioned bus with restroom and reclining seats. ABB now operates seven 16-passenger custom air-conditioned vans with reclining seats and operates a second van on a schedule if required by demand. Also, it is obtaining three 42-passenger buses equipped similarly to Pinetree's bus.
4. Fares - Pinetree intends to charge \$13 one-way for its proposed Bakersfield-LAX service. ABB charges \$20 one-way for this service.

We have, therefore, an applicant who would provide substantially similar service to that provided by a new operator who has had substantial start-up costs, is aggressively developing traffic, is operating at less than capacity, and needs additional patronage before it will be in a profitable position. The Bakersfield-LAX service here is the conventional point-to-point

service and is not recreationally oriented. It is traditional public utility common carrier transportation. The public interest is directly affected by the service. As such we are required by legislative mandate in PU Code § 1032 to: (1) determine whether the existing carrier ABB is providing satisfactory service on this route, and (2) deny applicant Pinetree's request to provide similar service on the same route if our answer regarding satisfactory service is in the affirmative. There is no persuasive evidence in the record that would lead us to conclude that ABB's service is other than satisfactory or that it would not take steps that the public interest might reasonably require to assure that its service continues to be such. As stated it now provides eight round trips per day, its service is at off-peak as well as peak demand hours, and it is obtaining large bus equipment for peak demand runs. In contrast Pinetree would have only several schedules, and these would be operated only during peak demand periods. The short five or less minutes stop by ABB at Magic Mountain on some of its runs is minimal, and any inconvenience to the Bakersfield-LAX traveler would be trivial.

Even assuming arguendo that the existing carrier test was not applicable here, it has not been established on this record that public convenience and necessity require an additional passenger stage carrier on this route. We recognize that the population of the Bakersfield area and also of Kern County has been increasing steadily. Pinetree did present three representatives of business with offices or plants in the Bakersfield area who testified that their respective companies would use its service. On the other hand, three Bakersfield travel agents, who allegedly handle 65 to 70% of the travel business there, testified on behalf of ABB that they send many clients to it, have never had a reservation turned down, and have had no complaints regarding its service. Each of the travel agents stated that another passenger stage carrier is not needed. Based on a review of the present and potential passenger data of record, we are of the opinion that it has not been shown that ABB has

not or will not meet the present and foreseeable future demand for bus transportation on this route. The weight of the evidence supports our conclusion that there is no public need for the additional service Pinetree proposes.

One last matter on which we will comment is the reference by ABB to the Cosmo decision as a basis for denying Pinetree's request. This decision is not in point here. The decision did deny a request to provide passenger stage service in an area in which a new operator had recently been certificated. However, it was based on the fact that the applicant had merely demonstrated a desire to serve and had presented no evidence to establish that public convenience and necessity did exist for the proposed service. Here, evidence on this issue was presented by Pinetree but it was not sufficiently persuasive to establish the need for an additional operator.

Since most of the passenger stage services authorized are not now being provided and there is a need for all of these services, the following order will be made effective on the date it is signed.

Findings of Fact

1. Pinetree, Sundance, NRS, and Carroll each hold a passenger stage corporation certificate and Class A or permit charter-party carrier of passengers authority. All are experienced in the transportation of passengers by large bus and/or van equipment. Each has the necessary facilities or ability to obtain them, financial resources and backing, and fitness to operate the passenger stage service that particular applicant is authorized to provide in the order which follows.

2. Pinetree in A.60598, Sundance in A.60523, NRS in A.60789, and Carroll in A.60805, each seek authority to provide various airport access and similar passenger stage services in Corridor 1 generally between LAX and SAN and other surrounding areas. Pinetree and Carroll also request authority to handle express shipments not over 50 pounds each in connection with the services they propose.

Included in the authority sought by both Sundance and Carroll is the request to serve between Pendleton and SAN. Sundance would serve the main gate at Pendleton only. Carroll would serve on the Marine Base at Pendleton if allowed to do so by the Marine Corps.

3. Curtis protests the requests by Sundance and Carroll to operate between Pendleton and SAN. He holds a passenger stage certificate to transport military personnel and dependents between these two points. He has been authorized to operate on the Marine Base by the Marine Corps. His certificate includes an equipment restriction which authorizes vehicles not exceeding 22-passenger capacity, including driver and one over this size. Although the service provided by Curtis was erratic during the first six months of 1981, he has provided regular scheduled and on-call service since then.

4. Other than Curtis between Pendleton and SAN, no other certificated passenger stage carrier is now providing substantially similar services to those described in Finding 2.

5. Carroll's proposed Pendleton-SAN service would compete substantially with Curtis. The evidence is not persuasive that service by Curtis has been other than satisfactory since mid-1981 or that there is a public need for Carroll's service between these points.

6. Service by Sundance between the Pendleton main gate and SAN as part of its proposed two round trips per day on its sought SAN-LAX route differs sufficiently from Curtis' five round trips per day and on-call services directly onto the Marine Base so as not to pose a significant competitive threat to him. Since Sundance would be stopping at the Pendleton main gate northbound to pick up passengers and southbound to discharge passengers on its proposed route, it would not be in the public interest to prohibit it from carrying members of the public who might desire to use its service between there and SAN.

7. To avoid any misunderstanding that Sundance could operate a separate Pendleton-SAN route that might compete head-on with Curtis'

service, the request by it referred to in Finding 2 should include a condition that Sundance may not provide any service over a portion of the SAN-LAX route only.

8. With the exception of service by Curtis between Pendleton and SAN and with the condition in Sundance's request referred to in Finding 7, public convenience and necessity require the proposed services by Pinetree, Sundance, NRS, and Carroll described in Finding 2.

9. Babcock's request to dismiss his A.60818 for certain passenger stage authority in Corridor 1 is reasonable and should be granted.

10. Sundance in A.60565 requests authority to provide passenger stage service in Corridor 2 between the City of San Diego and Mammoth on weekends during the winter sports seasons only. The service is designed for weekend skiers. Kopecky now provides a similar winter weekend passenger stage service between the two locations. SS

11. The service described in Finding 10 is a recreation-oriented service and differs from the conventional point-to-point passenger stage service.

12. Competition on the route described in Finding 10 under regulation will have a beneficial effect for the public interest in that it will lead to the development of the territory served by both and will promote good service and hold down fares.

13. Public convenience and necessity require the proposed service by Sundance described in Finding 10.

14. Sears was granted a certificate by D.93117 to operate a passenger stage service in Corridor 3 between Bakersfield and LAX with an intermediate stop at Magic Mountain in Saugus.

15. The service described in Finding 14 has been operated by ABB since July 1981 under an agency lease agreement with Sears who is a director of ABB but not a shareholder. Sears participates in the management of ABB but does not have control. He is to receive a 15% stock interest in ABB. No authorization for the agreement has been

obtained from the Commission. It has not been shown that it was the intent of either party by this arrangement to violate any regulations governing passenger stage corporations.

16. Greyhound's main objection in the rehearing of D.93117 was to the part of the operating rights granted to Sears that authorize passenger stage service between Bakersfield and Magic Mountain. This is primarily a recreation-oriented service, and if it were not for the amusement park attraction here, there would be no purpose to operate this service. For the reasons stated in Finding 12, competition on this run is desirable and in the public interest.

17. It has not been established in the rehearing of D.93117 that either Sears or ABB is unfit to provide passenger stage service in Corridor 3.

18. Neither D.93117 nor the certificate granted to Sears by the decision should be revised in any manner.

19. ABB has the necessary experience, equipment, facilities, financial resources and backing, and fitness to operate the passenger stage service it has been providing under the agency lease agreement with Sears.

20. The transfer of the passenger stage certificate described in Finding 14 from Sears to ABB requested in A.60826 would not be adverse to the public interest.

21. The request by ABB in A.60826 to transport small express shipments in connection with the passenger stage service authorization it desires to obtain from Sears is reasonable.

22. Pinetree in A.60598 also requests authority to provide passenger stage and small express shipment service in Corridor 3 between Bakersfield and LAX with no intermediate stops. ABB under its agency lease agreement with Sears has been providing a substantially similar service. While ABB does stop at Magic Mountain on some of its scheduled runs between the two points, the stop does not require more than five minutes, and the inconvenience of this to the Bakersfield-LAX traveler would be minimal.

23. The Corridor 3 passenger stage service described in Finding 22 is a conventional point-to-point service. ABB has invested a substantial amount of money in the business and has been losing money during the start-up period. It will not recoup its initial losses and be in a profitable position until late 1982.

24. It has not been demonstrated that ABB's service has been other than satisfactory or that there is a public need for an additional passenger stage operator between Bakersfield and LAX.

25. Public convenience and necessity do not require the proposed service by Pinetree described in Finding 22.

26. It can be seen with certainty that there is no possibility that the activities in question may have a significant effect on the environment.

Conclusions of Law

1. The requests by Pinetree in its A.60598 to provide passenger stage and express shipment service between: (1) Bakersfield and LAX should be denied, and (2) LAX, ONT, and Palm Springs should be considered in a separate decision.

2. The request by Carroll in his A.60805 to add Pendleton as a point served in connection with his present SAN certificated passenger stage and express shipment service should be denied.

3. Except as provided in Conclusions 1 and 2, Pinetree, Sundance, NRS, and Carroll should each be granted a certificate of public convenience and necessity to operate the proposed passenger stage service requested in their respective applications as provided in the order which follows.

4. D.93117 and the passenger stage certificate granted to Sears by the decision should be affirmed.

5. The proposed transfer by Sears of the passenger stage certificate granted to him by D.93117 to ABB is in the public interest and should be granted, and authorization to transport small express shipments should be added to the transferred certificate.

6. Babcock's A.60818 should be dismissed.

7. Carroll should be placed on notice that: (1) It is his duty to comply with all regulations governing his passenger stage and express shipment business, including those relating to the operation of scheduled service, and (2) Any signs on his equipment advertising service should be clearly legible and informative to the public.

8. Sears and ABB should each be placed on notice that it is the duty of any operator of a certificated passenger stage service to comply with all regulations governing the operation of such business, including those relating to the transfer of control.

9. The order should be made effective on the date it is signed because public convenience and necessity require the authorized services.

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.

This authorization of the transfer from Sears to ABB is not a finding of the value of the rights and properties to be transferred.

INTERIM ORDER ON APPLICATION 60598
AND FINAL ORDER ON ALL OTHER MATTERS

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pinetree Service Corporation, Inc. (Pinetree), a corporation, authorizing it to expand its operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons,

baggage, and/or express. Appendix A of D.92763 as amended is further amended by replacing First Revised Page 1 with Second Revised Page 1 and First Revised Page 2 with Second Revised Page 2, attached.

2. A certificate of public convenience and necessity is granted to Sundance Stage Lines, Inc. (Sundance), a corporation, authorizing it to expand its operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons and their baggage. Appendix A of D.82-02-098 is amended by replacing Original Page 1 with First Revised Page 1, Original Page 2 with First Revised Page 2, adding Original Page 2a, and replacing Original Page 3 with First Revised Page 3, attached.

3. A certificate of public convenience and necessity is granted to NRS, Inc. (NRS), a corporation, authorizing it to expand its operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons and their baggage. Appendix A to D.92047 is amended by replacing Original Title Page with First Revised Title Page, Original Page 1 with First Revised Page 1, Original Page 2 with First Revised Page 2, and adding Original Page 3, attached. (PSC-1004 set forth in Appendix A to D.92047 shows the name "NRS, Inc., doing business as Coast Management Services." The name on the certificate has never been changed. This certificate is amended to show the present dbas of Fleetwood Limousine Service and Fleetwood Limousine and Airporter Service.)

4. A certificate of public convenience and necessity is granted to William Carroll (Carroll) authorizing him to expand his operations as a passenger stage corporation, as defined in PU Code § 226, to transport persons, baggage, and/or express. Appendix A to D.92290 is amended by replacing Original Page 1 with First Revised Page 1, Original Page 2 with First Revised Page 2, Original Page 3 with First Revised Page 3, Original Page 7 with First Revised Page 7, and adding Original Page 8, attached.

5. Pinetree, Sundance, NRS, and Carroll shall each:

- 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.
 - c. State in their 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.
6. D.93117 is affirmed.
7. By August 31, 1982, Gerald A. Sears may sell and transfer the operative rights and property specified in the application to Airport Bus of Bakersfield, Inc. (ABB).
8. ABB shall:
- a. File with the Transportation Division written acceptance of the certificate and a copy of the bill of sale or other transfer document within 30 days after transfer.
 - b. Amend or reissue seller's tariffs and timetables, state in them when the service will start, make them effective 10 or more days after this order is effective, and allow at least 10 days' notice to the Commission.
 - c. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol safety rules.
 - d. File an annual report of seller's operations for the period from the first day of the current year to the date of transfer.
 - e. Maintain accounting records in conformity with the Uniform System of Accounts.

9. If the transfer authorized by Ordering Paragraph 7 is completed, on the effective date of the tariffs a certificate of public convenience and necessity is granted to ABB, a corporation, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between the points and over the routes set forth in attached Appendix PSC-1166 to transport persons, baggage, and/or express.

10. The certificate of public convenience and necessity granted by D.93117 is revoked on the effective date of the tariffs referred to in Ordering Paragraph 9.

11. A.60818 is dismissed.

12. Carroll is placed on notice that: (1) he shall comply with all regulations governing his passenger stage and express business, including those relating to the operation of scheduled service, and (2) any signs on his equipment advertising service should be clearly legible and informative to the public.

13. Sears and ABB are both placed on notice that they shall comply with all regulations governing the operation of any passenger stage business either may operate, including those relating to the transfer of control.

14. The request by Pinetree in A.60598 to operate between Los Angeles International Airport, Ontario Airport, and Palm Springs shall be handled by a separate decision.

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. CREW

Commissioners

APPENDIX A

Applicant in A.60598 and Interested Party in A.60523, 60789, 60805, 60430, and 60826: John E. deBrauwere, Attorney at Law, for Pinetree Service Corporation, Inc.

Applicant in A.60523 and 60565 and Interested Party in A.60598, 60789, 60805, and 60818: Henry Buijnorowski, and David Callender for Sundance Stage Lines, Inc.

Applicant in A.60789 and Interested Party in A.60598, 60523, 60805, and 60818: MacDonald, Halsted & Laybourne, by Abby R. Silverman, for NRS, Inc., dba Fleetwood Limousine and Airporter Service.

Applicant in A.60805 and Interested Party in A.60598, 60523, 60789, and 60818: William Carroll, dba Airport Stage Lines, for himself.

Applicant in A.60818 and Interested Party in A.60598, 60523, 60789, and 60805: Bruce R. Babcock, Attorney at Law, dba The Bus Line to LAX, for himself.

Applicant in A.60826 and Protestant in A.60598, and Respondent in Rehearing in A.60430: Garfield, Tepper & Ashworth, by Christopher Ashworth, Attorney at Law, for Airport Bus of Bakersfield, Inc.

Petitioner for Rehearing in A.60430 and Protestant in A.60826: Lat J. Celmins, Attorney at Law, and Howard Everidge, Attorney at Law (Arizona and New Mexico), for The Greyhound Corporation.

Protestant in A.60818: Bewley, Lassleben & Miller, by Richard L. Dewberry and John H. Renninger, Attorneys at Law, for 24-Hour Express, Inc.

Protestants in A.60565: Robert J. Klitgaard, Attorney at Law, and Kenneth J. Kopecky, for Kopecky Corporation.

Protestant in A.60598, 60523, 60789, 60805, and 60818: Joseph A. Bradley III, Attorney at Law, for Robert L. Curtis, dba Bob's Ride.

Protestant in A.60789, 60805, and 60818: John H. Lyons, Attorney at Law, for Airport Service, Inc.

Interested Party in all applications: James P. Jones, for United Transportation Union.

For the Commission Staff: Vahak Petrossian.

(END OF APPENDIX A)

Appendix A
(D.92763)

PINETREE SERVICE CORPORATION, INC. Second Revised Page 1
(PSC-1152) Cancels
First Revised Page 1

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

Pinetree Service Corporation, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers for sightseeing and for pleasure trips between points in Los Angeles and Orange Counties, on the one hand, and various points of interest, on the other hand,* and daily scheduled passenger service and shipment of small packages, not to exceed 50 pounds in weight each, between San Diego International Airport (SAN) and Los Angeles International Airport (LAX), with intermediate stops at Carlsbad and San Clemente*, 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. All *sightseeing* service authorized shall be limited to the transportation of round-trip passengers only.
- b. *Sightseeing* service shall be operated on an on-call basis. The term on-call as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetable shall show the conditions under which each authorized on-call service will be rendered.
- c. When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- d. On Route C, all buses will enter and depart that area in the City of Beverly Hills bounded by Beverly Drive, Santa Monica Boulevard, Camden Drive and Charleville Boulevard via Wilshire Boulevard and in all other respects shall be restricted from proceeding to or from other points within that City.

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, Application 60598.

Appendix A
(D.92763)

PINETREE SERVICE CORPORATION, INC.
(PSC-1152)

Second Revised Page 2
Cancels
First Revised Page 2

SECTION 2. AUTHORIZED POINTS OF ORIGIN/TERMINATION.

All tours shall originate and terminate at one or more of the following locations:

LOS ANGELES COUNTY

Downtown Los Angeles Area

Biltmore Hotel
Bonaventure Hotel
Hyatt Regency
Los Angeles Hilton
New Otani Hotel
Los Angeles Convention Center
Hotel Figueroa

Mid-Wilshire Area

Ambassador Hotel
Hyatt Wilshire
Sheraton Townhouse
Hollywood Roosevelt Hotel

Beverly Hills-Century City Area

Beverly Hills Hotel
Beverly Wilshire Hotel
Beverly Hilton Hotel
Century Plaza Hotel
Beverly Hills Ramada Inn

Los Angeles Airport Area

Airport Marina Hotel
Hyatt Airport
Marriott Airport
Sheraton Plaza La Reina
Travelodge L.A. Airport

ORANGE COUNTY

Disneyland Hotel
Grand Hotel
Marriott Anaheim
Anaheim Convention Center

* Transportation of persons, baggage, and/or express for scheduled passenger service will originate or terminate at the following locations:

*SAN TO LAX

Service will originate and terminate at SAN and LAX with en route stops in Carlsbad at Hadley's Fruit Orchard, 6115 Paseo del Norte, and in San Clemente at A Bit of History Museum, 3801 S. El Camino Real. No local passengers between Carlsbad and San Clemente will be carried.

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, Application 60598.

T/ri

Appendix A
(D.82-02-098)

Sundance Stage Lines, Inc.
(PSC - 1208)

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*Route 2 - San Diego International Airport (SAN), to Camp Pendleton, Orange County (John Wayne) Airport, Los Angeles International Airport (LAX).	
*Route 3 - San Diego commercial zone and Mammoth resort area.	

Issued by California Public Utilities Commission.

82 06 100

*Added by Decision _____, Applications 60523 and 60565.

Appendix A
(D.82-02-098)

Sundance Stage Lines, Inc.
(PSC - 1208)

First Revised Page 2
Cancels
Original Page 2

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

Sundance Stage Lines, Inc., 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 San Diego County and Orange and Los Angeles Counties and certain intermediate and adjacent territories, *and between San Diego Commercial zone and Mammoth resort areas*, over and along the routes described, subject, however, to the authority of this Commission to change or modify the 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 not pick up or discharge passengers except within the limits of the specified service areas as set forth. This restriction shall not prevent stop-overs for the purpose of permitting sightseeing passengers to visit various points of interest along the route.
- d. Route 1 shall be operated on Saturdays only, and on every Wednesday beginning on the first Wednesday after June 15 and continuing until the first Wednesday following September 15, annually.
- e. On Route 1, only passengers provided by travel agents shall be accepted.
- f. One-way transportation of passengers is authorized.

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, Applications 60523 and 60565.

T/ctb

Appendix A
(D.82-02-098)

Sundance Stage Lines, Inc.
(PSC - 1208)

Original Page 2a

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS. (Continued)

- g. On Route 2, no separate schedule can be run over part of the route.
- h. On Route 3, service begins on the first weekend after January first and continues through the first weekend after April 30th yearly.
- i. On Route 3, no one-way service is permitted. Passengers can lay over from one weekend to a following weekend return, provided they give the carrier prior notice, and provided a space is available on the desired returning coach.

Issued by California Public Utilities Commission.

Decision 82 06 100, Applications 60523 and 60565.

SECTION 2. ROUTE DESCRIPTIONS.

Route 1. San Diego County to Disneyland - Knott's Berry Farm - Universal Studios

Service between the following points, on the one hand:

1. J. J. Travel Service, 433 East Main Street, El Cajon
2. A-1 Tours, 4056 Fairmount Avenue, San Diego
3. Amtrak Station, Kettner and Broadway, downtown San Diego.

and the following points, on the other hand:

4. Disneyland, Anaheim
5. Knott's Berry Farm, Buena Park
6. Universal Studios, Universal City (Los Angeles)

*Route 2. San Diego International Airport (SAN) to - Camp Pendleton - Orange County Airport - Los Angeles International Airport (LAX)

Departs San Diego International Airport and proceeds to I-5, via I-5 to the main gate area of Camp Pendleton, departs Camp Pendleton and via I-5 to I-405, to Orange County Airport, departs the Airport and via I-405 to Century Boulevard and to the Los Angeles International Airport. On return trip, bus leaves LAX, via Century Boulevard to I-5, via I-5 to main gate area of Camp Pendleton, departs the Camp and via I-5 to SAN.

*Route 3. San Diego and El Cajon - Mammoth resort areas in Mono County

From various locations in San Diego and El Cajon, via highways I-15 and US 395 to Mammoth Lake recreation area.

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, Applications 60523 and 60565.

Appendix A
(D.92047)

NRS, INC. First Revised Title Page
Doing Business As Cancels
FLEETWOOD LIMOUSINE SERVICE AND Original Title Page
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
TO OPERATE AS
A PASSENGER STAGE CORPORATION
PSC-1004

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.

Revised by Decision 82 06 100 dated JUN 15 1982,
of the Public Utilities Commission of the State of California, in
Application 60789.

Appendix A
(D.92047)

NRS, INC.
Doing Business As
FLEETWOOD LIMOUSINE SERVICE AND
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE
(PSC-1004)

First Revised Page 1
Cancels
Original Page 1

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

NRS, INC., doing business as Fleetwood Limousine Service and Fleetwood Limousine and Airporter Service, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to operate as a passenger stage corporation to transport passengers and their baggage between San Diego International Airport-Lindbergh Field, in San Diego, on the one hand, and the eighteen communities of Escondido, Vista, Fallbrook, San Marcos, Lake San Marcos, Penasquitos, Poway, Rancho Santa Fe, Miramar, Rancho Bernardo Service Territory, Oceanside, Carlsbad, Leucadia, Encinitas, Cardiff-By-The-Sea, Solana Beach, Del Mar, and that certain area commonly referred to as Scripps Miramar Ranch located in the County of San Diego,* plus San Clemente, San Juan Capistrano, Laguna Hills, San Pedro-Long Beach Harbor, John Wayne/Orange County Airport, Los Angeles International Airport, San Diego, La Jolla, on the other hand; and between the above eighteen communities, on the one hand, and John Wayne/Orange County Airport, Los Angeles International Airport, Montgomery Field, San Diego Amtrak Railroad Station, on the other hand; and between the City of San Diego (Amtrak Railroad Station and visitor information center), on the one hand, and John Wayne/Orange County Airport, Los Angeles International Airport, San Clemente, San Juan Capistrano, Laguna Hills,* on the other hand, over and along the most appropriate highways, roads, and streets, subject, however, to the authority of this Commission to change or modify the authority at any time and subject to the following provisions:

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, in Application 60789.

Appendix A
(D.92047)

NRS, INC.
Doing Business As
FLEETWOOD LIMOUSINE SERVICE AND
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE
(PSC-1004)

First Revised Page 2
Cancels
Original Page 2

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS (Continued)

- *(a) Service shall be operated on an "on-call" basis. 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.
- *(b) Special restrictions for service between San Diego International Airport, on the one hand, and Oceanside, Carlsbad, Leucadia, Cardiff-By-The Sea, Solana Beach, Del Mar, and that certain area commonly referred to as Scripps Miramar Ranch located in the County of San Diego, on the other hand:
 - (1) Service is restricted to the transportation of passengers and their baggage in equipment not exceeding fifteen (15) passengers capacity, including driver, and further restricted to passengers originating at or destined to the San Diego International Airport.
 - (2) Passengers may not board or be discharged at intermediate points.

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, in Application 60789.

Appendix A
(D.92047)

NRS, INC.
Doing Business As
FLEETWOOD LIMOUSINE SERVICE AND
FLEETWOOD LIMOUSINE AND AIRPORTER SERVICE
(PSC-1004)

Original Page 3

SECTION 2. RANCHO BERNARDO SERVICE TERRITORY

Beginning at the intersection of Black Mountain Road and the city limits of San Diego, southwesterly along the city limits to a point due west of the intersection of Stone Canyon Road and Pomerado Road, southerly along Pomerado Road to Russ Lane, easterly along direct line to the intersection of Espola Road and Stone Canyon Road, northerly and westerly along Espola Road to Old Coach Road, northeasterly along Old Coach Road to a point of the intersection of Andrews Drive and Del Paso Drive, then northwesterly along a direct line to the intersection of Highland Valley Road and the San Diego Aqueduct, then due west to the city limits of San Diego, southerly along the city limits to point of beginning.

Issued by California Public Utilities Commission.

Added by Decision 82 06 100, in Application 60789.

T/ctb

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

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Issued by California Public Utilities Commission.

*Revised by Decision 82 06 100, Application 60805.

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

First Revised Page 2
Cancels
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SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.

William Carroll, an individual, by the certificate of public convenience and necessity modified by the decision noted in the margin, is authorized to operate as a passenger stage corporation to transport passengers and their baggage and express between San Diego International Airport-Lindbergh Field, in San Diego, on the one hand, and the Palomar Airport located in San Diego County, that certain area commonly known as Rancho Bernardo Territory located within the city limits of San Diego, and the communities of Escondido, Vista, Fallbrook, San Marcos, Penasquitos, Poway, Carlsbad, and Encinitas, on the other hand; * and to operate scheduled and on-call passenger service and express, not to exceed over 50 pounds in weight, between the Cities of Escondido, San Marcos, Vista, Carlsbad, and Camp Pendleton, on the one hand, and Orange County Airport (ORN), Los Angeles International Airport (LAX) and Los Angeles and Long Beach Harbors on the other hand, * 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) Where route descriptions are given in one direction they apply to operation in either direction unless otherwise directed.
- (b) For operating convenience only, 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.
- (c) All services authorized on Routes 1, 2, and 3* shall be limited to passengers destined to or originating at San Diego International Airport-Lindbergh Field.

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, Application 60805.

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

First Revised Page 3
Cancels
Original Page 3

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS. (Continued)

- (d) Transportation services on Routes 3^{*} (and 5) may be performed on an "on call" basis. The term on call as used refers to service which is authorized to be rendered dependent on the demand of passengers. The applicant's tariffs and timetables shall show the conditions under which such authorized on call service will be rendered.
- (e) Passengers shall be picked up and discharged only at points and places to be named in applicant's tariffs and only at those points and places situated within the territories and cities named.
- (f) The transportation of baggage and express^{*} (on Routes 1, 2, and 3) shall be incidental to the transportation of passengers, and shall be limited to a weight of 100 pounds per shipment.
- ^{*}(g) No passenger or express will be carried in either direction between Orange County Airport, Los Angeles International Airport, and Long Beach Harbor on Routes 4 and 5.
- ^{*}(h) Transportation on Route 4 is scheduled service only.
- ^{*}(i) Transportation on Route 5 is on-call service only.

Issued by California Public Utilities Commission.

82 06 100

^{*}Added by Decision _____, Application 60805.

Appendix A
(D.92290)

WILLIAM CARROLL
(PSC - 1135)

First Revised Page 7
Cancels
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SECTION 2. ROUTE DESCRIPTIONS. (Continued)

Route 3 San Marcos - Vista - Fallbrook

Beginning at 1523 Grand Avenue in the City of San Marcos, west on Grand Avenue to Rancho Santa Fe Road, north on Rancho Santa Fe Road to State Highway 78, then west on State Highway 78 to Sunset Drive located in the City of Vista, north on Sunset Drive to Santa Fe Avenue, northwest on Santa Fe Avenue to the northeast corner of the intersection of Santa Fe Avenue and Broadway Avenue where passengers shall be picked up or discharged. Continue in a north-westerly direction on Santa Fe Avenue to Vista Way, due north on Vista Way to Mission Road, then continue in a northerly direction on Mission Road to the southeast corner of the intersection of Mission Road and Pepper Tree Lane located in the City of Fallbrook where passengers shall be picked up or discharged. Return to the exact point of beginning via the reverse route.

*Route 4 Escondido, San Marcos, Vista, Carlsbad, Camp Pendleton, Orange County Airport, Los Angeles International Airport

The service will originate in Escondido and proceeds to the terminal in San Marcos, City of Vista, City of Carlsbad over the routes stated in Route 1, 2, and 3, then proceeds to Camp Pendleton via Highway 78 and Interstate 5, then to Orange County Airport via Interstate 5 and 405, and to Los Angeles International Airport over Interstate 405, and return in a reverse direction.

Issued by California Public Utilities Commission.

*Added by Decision 82 06 100, Application 60805.

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Appendix A

WILLIAM CARROLL
(PSC - 1135)

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SECTION 2. ROUTE DESCRIPTIONS. (Continued)

Route 5 Escondido, San Marcos, Vista, Carlsbad, Camp Pendleton,
Orange County Airport, Los Angeles International Airport,
Los Angeles and Long Beach Harbors

The same as in Route 4, then proceeds to the Los Angeles and Long Beach Harbors.

SS
~~(END OF APPENDIX)~~

Issued by California Public Utilities Commission.

Decision 82 06 100, Application 60805.

T/ctb

Appendix PSC-1166 AIRPORT BUS OF BAKERSFIELD, INC.

Original
Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
TO OPERATE AS A
PASSENGER STAGE CORPORATION
PSC - 1166

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 06 100, dated JUN 15 1982
of the Public Utilities Commission of the State of California in
Application 60826.

T/ctb

Appendix PSC-1166 AIRPORT BUS OF BAKERSFIELD, INC.
(PSC-1166)

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Issued by California Public Utilities Commission.

Decision 82 06 100, Application 60826.

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

Airport Bus of Bakersfield, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to transport passengers, and their baggage, and small package express only between Bakersfield, Saugus, and Los Angeles International Airport (LAX), with stops 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.
- b. When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- c. Passengers should be boarded or disembarked at the authorized service points only, as set forth in each route description below.
- d. For operating purposes, carrier may operate buses to skip certain stops on certain schedules, provided that all authorized service points receive adequate service.
- e. Service on Route 1 shall be limited to passengers originating at or destined to Saugus (Magic Mountain) or LAX.
- f. Express packages shall not exceed 50 pounds in weight each.

Issued by California Public Utilities Commission.

82 06 100

Decision _____, Application 60826.

T/ctb

Appendix PSC-1166 AIRPORT BUS OF BAKERSFIELD, INC.
(PSC-1166)

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SECTION 2. ROUTE DESCRIPTION.

Route 1 - Bakersfield - Saugus - LAX

Commencing at 1625 24th Street in Bakersfield, then over the most convenient streets and highways to LAX via the intermediate stop at Saugus (Magic Mountain).

Issued by California Public Utilities Commission.

Decision 82 06 100, Application 60826.