

ORIGINAL

Decision No. 87976 OCT 12 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application )  
of AMERICAN CHARTER LINES, a )  
corporation, for certificate of )  
public convenience and necessity )  
to operate commuter passenger )  
service between Costa Mesa and )  
Los Angeles. )

Application No. 57046  
(Filed January 31, 1977)

- John deBrauwere, Attorney at Law, for American Charter Lines, applicant.
- Stephen T. Parry, for Southern California Rapid Transit District; and Ronald J. Hoffman, for Southern California Commuter Bus Service, Inc.; protestants.
- R. W. Russell, Department of Public Utilities & Transportation, by K. D. Walpert, for City of Los Angeles, interested party.
- Thomas P. Hunt, for the Commission staff.

O P I N I O N

Applicant requests a certificate of public convenience and necessity to operate as a passenger stage corporation between points in Costa Mesa and Huntington Beach, on the one hand, and the civic center and Fifth and Flower Streets in downtown Los Angeles, on the other hand. Applicant proposes to operate a morning and evening commuter service with weekly rates of \$16.50 from Costa Mesa and \$16.00 from Huntington Beach.

Southern California Commuter Bus Service, Inc. (COM-BUS) protests on the ground that the sought authority will compete with existing authority of COM-BUS and on the further ground that there is no showing of public convenience and necessity. Southern California Rapid Transit District (SCRTD) protests on the ground that the proposed service will compete with service presently being rendered by SCRTD. Public hearing was held before Administrative Law Judge Robert Barnett on August 8, 1977 in Los Angeles, and the matter was submitted.

The president of applicant testified that applicant started in November 1974 with one coach and now operates five coaches under a Class A charter-party certificate; applicant's president has experience in operating commuter bus service; applicant has shown a profit in its charter-party operations over the past years and has a net worth of over \$20,000; applicant has adequate insurance; applicant has drivers who are experienced in commuter operations; applicant has maintenance facilities available to it to keep its buses operating in first-class condition; and applicant will be able to radio dispatch additional buses if a regular bus breaks down.

On the issue of public convenience and necessity, applicant's president testified that he took a survey in the Huntington Beach-Costa Mesa area and found that a substantial number of persons were willing to use his service to the civic center. On cross-examination, he stated that his survey was informal and unscientific. One witness testified in support of applicant's service. She said that she lives in the Huntington Beach area and works in the civic center and used to ride COM-BUS until COM-BUS discontinued its service and would ride applicant if its service were initiated. She felt that there was a need for a service such as applicant proposes.

The president of COM-BUS testified that in his opinion public convenience does not require applicant's service. He said that his company used to provide a service comparable to that which applicant proposes, but the service had to be discontinued for lack of patronage. In his opinion there has been no growth in the area which would warrant a new service being established.

A representative of SCRTD testified that SCRTD operates a route from Huntington Center in Huntington Beach to Fifth and Flower Streets in Los Angeles. It charges \$65 a month and operates a 50-passenger bus. When COM-BUS was operating along a comparable route, SCRTD lost patronage; when COM-BUS ceased operations, SCRTD regained that patronage. SCRTD's final stop in Los Angeles is at the ARCO Towers at Fifth and Flower; many of the patrons on this particular route work for ARCO and are subsidized by ARCO in the amount of approximately \$15 a month for bus fare. SCRTD fears loss of patronage.

In our opinion applicant should be certificated. Although the evidence shows that the probability of a successful operation is small, any opportunity to alleviate the transportation problems in the southern California area should not be discouraged. We recognize SCRTD's situation, and we see no useful purpose being served by having applicant prosper at SCRTD's expense. To prevent this we will restrict applicant's service in Los Angeles to the civic center. Applicant sought to terminate his route at Fifth and Flower, which in our opinion would cause a diversion of passengers from SCRTD. By terminating in the civic center, any diversion of passengers from SCRTD would be those who would be traveling from Fifth and Flower to the civic center by other transportation and therefore would be those who are benefited by a direct route to the civic center. As to COM-BUS, it is not operating the route, therefore it need not fear competition.

Findings

1. Applicant has sufficient equipment, has the financial ability, and has the required fitness to operate the proposed schedules.

2. Public convenience and necessity require that the service proposed by applicant be established with the exception that applicant's service shall originate or terminate in the Los Angeles civic center at First Street and Grand Avenue. Applicant shall not pick up or discharge any passengers south of First Street in Los Angeles.

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

American Charter Lines is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to American Charter Lines, a corporation, authorizing it to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between the points and over the routes set forth in Appendix A of this decision.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with the safety rules administered by the California Highway Patrol, the rules and other regulations of the Commission's General Order No. 98-Series, and the insurance requirements of the Commission's General Order No. 101-Series.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and file tariffs and timetables, in triplicate, in the Commission's office.
- (c) The tariff and timetable filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the authorized service.
- (d) The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79-Series and 98-Series.

- (e) Applicant shall maintain its accounting records on a calendar-year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

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

Dated at San Francisco, California, this 12th day of OCTOBER, 1977.

*Labetani*  
*Clair J. Devick*

*Robert Bateman*  
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 President  
*William J. Quinn*  
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*Vernon L. Sturgeon*  
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*Charles D. Swall*  
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Commissioners

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Appendix A

AMERICAN CHARTER LINES

Original Page

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
NO. 1018  
TO OPERATE AS  
A PASSENGER STAGE CORPORATION

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

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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.

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Issued under authority of Decision No. 87976, dated OCT 12 1977  
of the Public Utilities Commission of the State of California,  
in Application No. 57046.

*CORRECTION*

# CORRECTION

THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY



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Appendix A

AMERICAN CHARTER LINES

Original Page 1

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of the Public Utilities Commission of the State of California,  
in Application No. 57046.

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

American Charter Lines, a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation for commuter operations between points in Costa Mesa and Huntington Beach, on the one hand, and Los Angeles, on the other hand, over and along the route hereinafter described, subject, however, to the authority of this Commission to change or modify said route 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 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) Service shall terminate or originate at the intersection of First Street and Grand Avenue in the city of Los Angeles. No passengers shall be picked up or discharged southerly of First Street in the city of Los Angeles.

## SECTION 2. ROUTE DESCRIPTION.

Beginning at Harbor Boulevard and Adams Avenue in Costa Mesa, thence westerly along Adams to Magnolia Street, thence northerly on Magnolia to Garfield Avenue in the city of Huntington Beach where passengers are to be picked up, thence westerly along Garfield to Beach Boulevard in the city of Huntington Beach where passengers are to be picked up; thence northerly on Beach to the San Diego Freeway (Route 405), northerly along the San Diego Freeway (State Route 405) to the San Gabriel River Freeway (State Route 605), northerly along the San Gabriel River Freeway (State Route 605), the Santa Ana Freeway (State Route 5), northeasterly along State Route 101 to Los Angeles Street off-ramp, southerly along Los Angeles Street, westerly along First Street, discharging at Los Angeles Street, Spring Street, Broadway, Hill Street, Olive Street, and Grand Avenue.

END OF APPENDIX A