

Decision No. 89442 SEP 19 1978

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of MALCOLM A. AZIZ and DONALD R. )  
BIGGERS a co-partnership doing )  
as DEL NORTE TOURS, for authority )  
to sell and transfer operating )  
rights and equipment to DEL NORTE )  
TOURS, INC., a California corpo- )  
ration, and for the latter to )  
issue 1,000 shares of its \$10.00 )  
par value capital stock and )  
assume certain liabilities. )

Application No. 57470  
(Filed July 25, 1977)

In the matter of the application )  
of DEL NORTE TOURS INC., a )  
California corporation, for addi- )  
tional authority for a Certificate )  
of Public Convenience and Neces- )  
sity to operate passenger service )  
in Del Norte County. )

Application No. 58254  
(Filed July 25, 1978)

O P I N I O N

Malcolm A. Aziz and Donald R. Biggers are engaged in the business of transporting passengers on sightseeing tours beginning and ending in Crescent City pursuant to the Certificate of Public Convenience and Necessity (PSC-1016) granted by Decision No. 87517, dated June 28, 1977, in Application No. 57067.

Malcolm A. Aziz and Donald R. Biggers, doing business as Del Norte Tours, by Application 57470, seek authority to transfer their passenger stage Certificate of Public Convenience and Necessity (PSC-1016) and related assets to Del Norte Tours, Inc., and the latter seeks authority to assume liabilities and to issue 1,000 shares of \$10 par value capital stock.

By Application 58254 Del Norte Tours desires to have this certificate extended to encompass an agreement between applicant and the Del Norte County Local Transportation Commission (County).

Del Norte Tours (Inc.) is a California corporation incorporated on June 27, 1977. By letter dated July 27, 1978, the applicant submitted the following revised pro forma balance sheet which assumes the transfer of the assets and issuance of 300 shares of stock.

ASSETS

Current assets:		
Cash		\$ 35
Fixed assets:		
Vehicles and equipment		8,120
Other assets:		
Operating rights	\$ 75	
Incorporation expense	270	
	<u>345</u>	
Less amortization of organization expense	54	<u>291</u>
TOTAL ASSETS		<u><u>\$8,446</u></u>

LIABILITIES AND CAPITAL

Liabilities:		
Franchise tax payable		\$ 200
Notes payable - stockholders		505
Notes payable - vehicle loan		<u>5,000</u>
Total liabilities		5,705
Capital:		
Common stock - \$10 par, 3,000 shares authorized, 300 shares proposed issuance.	\$3,000	
Retained earnings	<u>(259)</u>	<u>2,741</u>
TOTAL LIABILITIES AND CAPITAL		<u><u>\$8,446</u></u>

By the same letter, the applicants note that the correct corporate name of the transferee is Del Norte Tours.

On the basis of the foregoing revised balance sheet the Commission will authorize the issuance of 300 shares of \$10 par value capital stock in consideration of the \$3,000 paid-in capital to be provided by Messrs. Aziz and Biggers. The application indicates that these partners will transfer their business to a corporation of which they will then be the shareholders.

In regard to Application 58254, applicant claims that there is no public local transportation service in the area to be served. The county has requested a private contractor to provide a local transit service and is willing to subsidize such an operation.

The service to be provided is a "Demand-Responsive" or "Dial-A-Ride" type of passenger stage service in and around the Crescent City area.

The application proposes a charge of fifty cents (\$0.50) for adults and a charge of twenty-five cents (\$0.25) for persons over fifty five (55) or under twelve (12) years of age.

The description in the application of the area to be served is somewhat ambiguous, and has, therefore, been slightly modified in the certificate to be granted so as to clearly set forth the intended service area.

After consideration the Commission finds that:

1. The issuing of 300 shares at \$10 par value stock in consideration of the partners' paid-in capital would not be adverse to the public interest.
2. Such a stock issue is for a proper purpose.
3. The money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income.
4. Applicant is ready, willing and able to extend its passenger stage operations to provide a "Demand-Responsive" or "Dial-A-Ride" type service in the area of Crescent City and its environs.
5. Applicant possesses the equipment, personnel and financial resources to institute and maintain the proposed service.
6. Public convenience and necessity require that the application be granted.
7. It can be seen with certainty that there is no possibility that the project involved in this proceeding may have a significant effect on the environment.

On the basis of the foregoing findings we conclude that Application 57470 should be granted in part to authorize the issuance of 300 shares of its par value capital stock. We also conclude that Application 58254 should be granted.

A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the certificate presently held by Malcolm A. Aziz and Donald R. Biggers and the issuance of a certificate in appendix form to Del Norte Tours.

Del Norte Tours 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 cancelled at any time by the State, which is not in any respect limited as to the number of rights which may be given. The authorization granted shall not be construed as a finding of value of the rights and properties authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or after the effective date hereof and on or before December 31, 1978, Malcolm A. Aziz and Donald R. Biggers may sell and transfer the operative rights and property referred to in the application to Del Norte Tours (a California corporation).
2. Del Norte Tours, on or after the effective date hereof and on or before December 30, 1978, may assume equipment obligations and, for the purpose specified in this proceeding, may issue 300 shares of its \$10 par value capital stock.
3. Del Norte Tours shall file with the Commission the report as required by General Order 24-Series, which order, insofar as applicable, is hereby made a part of this order.
4. Within thirty days after the transfer Del Norte Tours shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

5. Del Norte Tours shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the common carrier operations transferred to show that it has adopted or established, as its own, the rates and rules currently on file and rates and rules covering the additional authority to be granted. 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 transfer. The tariff and timetable filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders 79-Series and 98-series. Failure to comply with the provisions of General Orders 79-Series and 98-series may result in a cancellation of the operating authority granted by this decision.

6. In the event the transfer authorized in Paragraph 1 is completed, effective concurrently with the effective date of the tariff and timetable filings required by Paragraph 5, a Certificate of Public Convenience and Necessity (PSC-1016) is granted to Del Norte Tours, authorizing it to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, as set forth in Appendix A of this decision.

7. The Certificate of Public Convenience and Necessity (PSC-1016) granted by Decision 87517 is revoked effective concurrently with the effective date of the tariff and timetable filings required by Paragraph 5.

8. Del Norte Tours shall comply with the safety rules administered by the California Highway Patrol, the rules and regulations of the Commission's General Order 98-Series, and the insurance requirements of the Commission's General Order 101-Series.

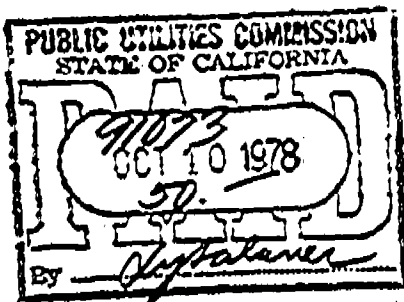
9. Del Norte Tours shall maintain its accounting records on a calendar-year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of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

10. This order shall become effective when Del Norte Tours has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California, this 19th day of SEPTEMBER, 1978.

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President  
*William Lyons, Jr.*  
\_\_\_\_\_  
*Vernon L. Sturgeon*  
\_\_\_\_\_  
*Robert D. Gwalle*  
\_\_\_\_\_  
*Clarence D. DeBorich*  
Commissioners

Commissioner Robert Datinovich, being necessarily absent, did not participate in the disposition of this proceeding.



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

PSC 1016

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. 89442, dated  
SEP 19 1978, of the Public Utilities Commission of the  
State of California, in Applications Nos. 57470 and 58254.

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Issued by California Public Utilities Commission.

Decision No. 80112, Applications Nos. 57470 and 58254.



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

The certificate hereinafter noted supersedes all operative authority heretofore granted to Malcolm A. Aziz and Donald R. Biggers, doing business as Del Norte Tours, or their predecessors.

Del Norte Tours, (a California corporation), by the Certificate of Public Convenience and Necessity granted in the decision noted in the margin, is authorized as a passenger stage corporation to transport passengers on an "on-call" basis on sightseeing tours originating in Crescent City, over and along the routes hereinafter described, or in "Demand-Responsive" service within the area hereinafter described, subject, however, to the authority of this Commission to change or modify said routes or areas at any time and subject to the following provisions:

- (a) The term "on-call" as used herein 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) All sightseeing service herein authorized shall be limited to the transportation of round-trip passengers only.
- (c) Applicant shall not pick up or discharge sightseeing passengers except within the limits of Crescent City. This restriction shall not prevent stopovers for the purpose of permitting sightseeing passengers to visit various points of interest along the route.
- (d) No passengers shall be transported in the "Demand-Responsive" service unless both point of origin and destination are within the described service area.

Approved by California Public Utilities Commission.

Decision No. 89442, Applications Nos. 57470 and 58254.

## SECTION 2. SIGHTSEEING ROUTE DESCRIPTIONS

Route No. 1: Crescent City and Jedediah Smith Park Tour

Commencing at the Crescent City Cultural and Convention Center at Front Street and J Street in Crescent City; thence via Front Street, U.S. Highway 101 and Citizens Dock Road to the Harbor Area; thence via appropriate city streets, U.S. Highway 101, Sand Mine Road, Humboldt Road; Howland Hill Road to Jedediah Smith State Park; thence via Howland Hill Road, State Highway 199, U.S. Highway 101, Washington Boulevard, Point St. George; thence via Radio Road, Pebble Beach Drive, Fifth Street, and appropriate city streets to the point of beginning.

Route No. 2: Smith River Tour

Commencing at the Crescent City Cultural and Convention Center at Front Street and J Street in Crescent City; thence via Front Street, U.S. Highway 101, Fred Haight Drive, First Street and Sarina Road to Dahstrom and Watt Greenhouses. Thence via Sarina Road, U.S. Highway 101 and Mouth Of The River Road to the mouth of the Smith River. Thence via U.S. Highway 101 and Front Street to the point of beginning.

Route No. 3: Klamath Tour

Commencing at the Crescent City Cultural and Convention Center at Front Street and J Street in Crescent City; thence via Front Street, U.S. Highway 101 and Regua Road to Radar Station; thence via Regua Road, U.S. Highway 101 and Klamath Beach Road to the mouth of the Klamath River; thence via Klamath Beach Road, U.S. Highway 101 and Front Street to the point of beginning.

Issued by California Public Utilities Commission.

Decision No. 89442, Applications Nos. 57470 and 58254.

SECTION 3. "DEMAND-RESPONSIVE" SERVICE AREA

1. Crescent City Area

"Demand-Responsive" service may be provided within the area bounded on the north by the northerly line of Township 16 N, Humboldt Base Line, on the east by the Humboldt Meridian, on the south by a line due east and west through the intersection of U.S. Highway 101 and Sand Mine Road and on the west by the shoreline of the Pacific Ocean.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision No. S9442, Applications Nos. 57470 and 58254.