

Decision No. 89735 : DEC 12 1978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WILLIAM H. HUNT, dba HUNT TRANSPORTATION, for a certificate of public convenience and necessity to operate a passenger stage service between various designated points and Hughes Aircraft Co. designated facilities.

Application No. 57781  
(Filed December 30, 1977)

In the Matter of the Application of PAUL R. ARTAC, an individual doing business as Sundance Transportation, for authority to increase fares for the transportation of passengers on regular scheduled routes in Orange and Los Angeles Counties and to extend existing passenger stage authority between points in Orange and Los Angeles Counties.

Application No. 57915  
(Filed March 3, 1978)

In the Matter of the Application of RICHARD K. MATHENY, an individual, dba SUNDANCE LINES, for authority to extend existing passenger stage authority for home-to-work service between points in Orange County and the Hughes Aircraft facilities in Los Angeles County.

Application No. 57916  
(Filed March 3, 1978)

O P I N I O N

Richard K. Matheny (Matheny), dba Sundance Lines, Paul R. Artac (Artac), dba Sundance Transportation, and William H. Hunt (Hunt), dba Hunt Transportation, each of whom is presently providing a passenger stage service for the transportation of employees of Hughes Aircraft from points in Orange County to the Hughes Aircraft facility in Culver City, request authority to extend their services to new company facilities in El Segundo.

Artac is employed as an electronics engineer at the Hughes Aircraft Culver City facility. He owns and operates two air-conditioned General Motors coaches, one with a capacity of 38 passengers and the other with a capacity of 47 passengers. Both coaches are covered by liability insurance in amounts that exceed the minimum required under General Order No. 101-C. As of February 1978, Artac indicated a net worth in the amount of \$71,500.

Matheny is employed as an electronics engineer at the Hughes Aircraft Culver City facility. He owns and operates a 47-passenger 1956 General Motors Scenicruiser, which is covered by liability insurance in amounts that exceed the minimum required under General Order No. 101-C. As of February 1978, Matheny indicated a net worth in the amount of \$96,525.

Hunt is the owner of Hunt Trucking, a leasing company. He owns and operates a 1967 Flxible 45-passenger bus and a 1964 49-passenger Flxible bus, which are covered by liability insurance in amounts that exceed the minimum required under General Order No. 101-C. As of July 1977, Hunt indicated a net worth in the amount of \$64,036.

#### Proposed Extension

It is alleged that the management of Hughes Aircraft is presently in the process of transferring employees from the Culver City facility to new facilities either currently under construction or to be constructed at locations in El Segundo; that because of the transfers which will continue until April 1979, it is necessary that Matheny, Artac, and Hunt serve both the Culver City and El Segundo facilities; and that granting of the applications will enable employees to debark at any of the locations.

#### Fares

Artac proposes to increase his present fare from \$11 per week to \$14 for both his present and extended service. The following is a cost and revenue study, which Artac prepared, reflecting actual and projected operations for 1977 and 1978.

	<u>1977 Actual</u> (\$11/wk)	<u>1978 Projected</u> (\$14/wk)
<u>Operating Revenue</u>		
*Passenger	\$26,884	\$34,216
<u>Operating Expenses</u>		
Tires and Tubes	\$ 774	\$ 800
**Repairs - Vehicles	12,061	6,375
Fuel and Oil	2,625	2,700
Insurance	3,267	3,300
Depreciation	2,744	2,744
Taxes (Fuel)	333	335
License & Registration Fees	683	683
Transportation (coach payments)	<u>3,262</u>	<u>3,262</u>
Total Operating Expenses	\$25,749	\$20,199
<u>Admin. &amp; General Expenses</u>		
Management Salaries	\$ 7,573	\$ 7,573
Accounting & Legal	355	1,500
Office Supplies & Expenses	1,898	1,900
Income Tax	<u>-</u>	<u>-</u>
Total Admin. & General Expenses	\$ 9,826	\$10,973
Net Income (Loss)	(\$ 8,691)	\$ 3,044
Operating Ratio	132.3	91.1

\*Based upon 47 passengers - 52 wks/year.  
 \*\*Includes unusual expense of a new engine in 1977.

In support of his request for the fare increase, Artac alleges that similar commuter carriers, both in the Orange County and San Diego areas, have been authorized to charge fares that are comparable to or greater than the proposed fare. (Orange Blossom Lines - Decision No. 88346 dated January 17, 1978 in Application No. 57547; Richard K. Matheny, dba Sundance Lines - Decision No. 87311 dated May 10, 1977 in Application No. 56905; and George D. McAfee, dba Consolidated Services - Decision No. 88206 dated December 6, 1977 in Application No. 57113.)

Matheny proposes to charge the same fare which is authorized for his existing service. This fare is \$15 per person per week and was established by Decision No. 87311 dated May 10, 1977 in Application No. 56905.

Hunt's current fare of \$11 per person per week was authorized by Decision No. 88159 dated November 29, 1977 in Application No. 57059. Hunt has proposed a fare of \$13 per person per week for his existing and proposed service. The \$2 increase would represent a fare increase and should not be allowed pending a formal application for a fare increase.

Application No. 57781 appeared on the Commission's Daily Calendar of December 30, 1977. Copies of Applications Nos. 57915 and 57916 were mailed to the parties on whom notice is required to be served by Rule 24 of the Commission's Rules of Practice and Procedure, and notice of the filing of these applications appeared on the Commission's Daily Calendar of March 7, 1978. The Commission's Transportation Division staff has reviewed the applications and recommends that in the absence of protest or request for public hearing they be granted. No protest has been received.

After consideration the Commission finds that the proposed fare increase in Application No. 57915 is just and reasonable and that public convenience and necessity require the granting of the proposed extensions of service.

To the extent that the application of William H. Hunt seeks an increase in fares the application will be denied.

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

Hunt, Artac, and Matheny are 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. Paul R. Artac, an individual doing business as Sundance Transportation, is authorized to establish the increased fares proposed in Application No. 57915. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and may be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within ninety days after the effective date of this order.

3. In addition to the required posting and filing of tariffs, Paul R. Artac shall give notice to the public by posting in his buses and terminals a printed explanation of the fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

4. Appendix A of Decision No. 87311 in Application No. 56905 is amended by incorporating First Revised Pages 1 and 2 attached hereto in place of Original Pages 1 and 2.

5. Appendix A of Decision No. 88159 in Application No. 57059 is amended by incorporating First Revised Pages 4 and 5 attached hereto in place of Original Pages 4 and 5.

6. Appendix A of Decision No. 87146 in Application No. 56906 is amended by incorporating First Revised Pages 2, 3, and 4 in place of Original Pages 2, 3, and 4.

7. Within thirty days after the effective date hereof and on not less than ten days' notice to the Commission and to the public William H. Hunt, Paul R. Artac, and Richard K. Matheny shall amend their tariffs and timetables presently on file with the Commission to reflect the authority herein granted.

8. Application No. 57781 is denied to the extent that it requests an increase in existing fares.

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

Dated at San Francisco, California, this 12<sup>th</sup> day of DECEMBER, 1978.

Robert B. ...  
President  
William ...  
Virginia ...  
Robert ...  
Alvin ...  
Commissioners

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

Richard K. Matheny, doing business as Sundance Lines, by the Certificate of Public Convenience and Necessity granted by the decision noted in the margin, is authorized to transport passengers between points in the city of Orange and the city of Buena Park, on the one hand, and Hughes Aircraft Facility in Culver City \*and El Segundo, 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 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) All transportation of passengers shall originate at the points hereinafter specified in Orange County, on the one hand, and shall be destined to the various entry gates of buildings and installations of the Hughes Aircraft Company in Culver City, or El Segundo, on the other hand, and shall be limited to employees of or persons seeking employment at the Hughes facilities.
- (d) Passenger stage service shall be operated only at times necessary to meet employee shift changes at the industry served and at other times when necessary to transport persons seeking employment at said industry.
- (e) Passenger stage service may be terminated upon ten days' notice to the public and to the Commission should work stoppage occur due to strike, plant closure, plant relocation, or any other event affecting the need or necessity for said service.

Issued by California Public Utilities Commission.

\*Amended by Decision No. 89735, Application No. 57916.

SECTION 2. DESCRIPTION OF AREAS AND LOCATIONS.

\*Service area shall be bounded on the south by Manhattan Beach Boulevard, on the east by the San Diego Freeway (State Route 405), on the north by Manchester Avenue, and on the west by the Pacific Ocean.

Locations to be served within this area shall be as set forth in Section 3.

SECTION 3. ROUTE DESCRIPTION

Beginning at "The City" (The City Drive and City Parkway) in the city of Orange, thence northerly along the Orange Freeway (State Route 57), Riverside Freeway (State Route 91) to Lemon Street and Orangethorpe Avenue in the city of Fullerton where passengers are to be picked up; thence continuing along said Riverside Freeway (State Route 91) to Beach Boulevard (State Route 39) in the city of Buena Park where passengers are to be picked up; thence back on the Riverside Freeway (State Route 91), Artesia Freeway (State Route 91) to Lakewood Boulevard (State Route 19) in the city of Bellflower where passengers are to be picked up; thence back along the Artesia Freeway (State Route 91), Harbor Freeway (State Route 11), San Diego Freeway (State Route 405), Jefferson Boulevard to the Hughes Aircraft facility in Culver City discharging at the gates numbered 2, 13, and 17, \*south to Hughes Aircraft Company's Continental Park facilities which is that area encompassed by Park Place on the north, Rosecrans Avenue on the south, Douglas Street on the east and Apollo Street on the west, Hughes Aircraft Company's radar site at Sepulveda Boulevard and Imperial Highway all in El Segundo, returning over the reverse of the same route.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

\*Amended by Decision No. ~~89735~~, Application No. 57916.

SECTION 2. DESCRIPTION OF AREAS AND LOCATION.

\*Los Angeles International Airport Service Area

That area bounded on the south by Redondo Beach Boulevard, Prairie Avenue, and Manhattan Beach Boulevard, on the east by the Harbor Freeway (State Route 11), on the north by Manchester Avenue, and on the west by the Pacific Ocean.

Locations to be served within this area shall be as set forth in Section 3.

Issued by California Public Utilities Commission.

\*Amended by Decision No. 89735, Application No. 57781.

SECTION 3. ROUTE DESCRIPTION.

Route No. 1 - From the city of Irvine to the Hughes Aircraft Company facilities (LAX) and return.

To the Hughes Aircraft Company facilities within the Los Angeles Municipal Airport Service area from the following pickup points only:

MacArthur Boulevard and Business Center Drive in the City of Irvine; Magnolia and Warner Avenues in the city of Fountain Valley; Valley View Street and Cerulean Avenue in the city of Garden Grove.

\*Route No. 2 - From the city of Anaheim to the Hughes Aircraft Company facilities (LAX) and return.

To the Hughes Aircraft Company facilities within the Los Angeles International Airport Service Area from the following pickup points only:

State College Boulevard and Artesia Freeway (State Highway 91) in the city of Anaheim; Valley View Avenue and Orangethorpe Street in the city of Buena Park; Artesia Boulevard and Pioneer Boulevard in the city of Artesia.

\*Route No. 3 - From the city of Orange to the Hughes Aircraft Company facilities (LAX) and return.

To the Hughes Aircraft Company facilities within the Los Angeles Municipal Airport Service Area from the following pickup points only:

City Boulevard and City Parkway in the city of Orange; Garden Grove Boulevard and Beach Boulevard (State Highway 39) in the city of Garden Grove; Palo Verde Avenue and Stearns Street in the city of Long Beach.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

\*Added by Decision No. 89735, Application No. 57781.

INDEX

	<u>Page No.</u>
SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS .....	2
*SECTION 2. DESCRIPTION OF AREAS AND LOCATIONS .....	3
*SECTION 3. ROUTE DESCRIPTION .....	3

Issued by California Public Utilities Commission.

\*Added or Amended by Decision No. 89735, Application No. 57915.

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

Paul R. Artac, 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 between certain designated areas in Orange County and Hughes Aircraft Company in Culver City \*and El Segundo, 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 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) All transportation of passengers shall originate at the points hereinafter specified in Orange County, on the one hand, and shall be destined to the various entry gates of buildings and installations of the Hughes Aircraft Company in Culver City, \*or El Segundo, on the other hand, and shall be limited to employees of or persons seeking employment at the Hughes facilities.
- (d) Passenger stage service shall be operated only at times necessary to meet employee shift changes at the industry served and at other times when necessary to transport persons seeking employment at said industry.
- (e) Passenger stage service may be terminated upon ten days' notice to the public and to the Commission should work stoppage occur due to strike, plant closure, plant relocation, or any other event affecting the need or necessity for said service.

Issued by California Public Utilities Commission.

\*Amended by Decision No. 89735, Application No. 57915.

\*SECTION 2. DESCRIPTION OF AREAS AND LOCATIONS.

Service area shall be bounded on the south by Manhattan Beach Boulevard, on the east by the San Diego Freeway (State Route 405), on the north by Manchester Avenue, and on the west by the Pacific Ocean.

Locations to be served within this area shall be as set forth in Section 3.

\*SECTION 3. ROUTE DESCRIPTION.

Beginning at the intersection of Bristol and Baker Streets in the city of Costa Mesa; thence north along Bristol Street to the San Diego Freeway (State Route 405); thence along said Freeway to the intersection of Beach Boulevard and McFadden Avenue in the city of Westminster; thence along Beach Boulevard, San Diego Freeway (State Route 405) to Valley View Street and Cerulean Avenue in the city of Garden Grove; thence continuing northerly along the San Diego Freeway (State Route 405), Jefferson Boulevard to Hughes Aircraft in Culver City where passengers may be discharged at Gates 2, 13, and 17; \*thence south to Hughes Aircraft Company's Continental Park facilities which is that area encompassed by Park Place on the north, Rosecrans Avenue on the south, Douglas Street on the east and Apollo Street on the west, Hughes Aircraft Company's radar site at Sepulveda Boulevard and Imperial Highway, all in El Segundo; returning over the reverse of the same route.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

\*Added or Amended by Decision No. 89735, Application No. 57915.