Decision No.

90887

OCT 1 0 1979

OPICINAL

# BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALTFORNIA

In the Matter of the Application ) of LOUNGE CAR TOURS, INC., For interim operating authority ) prior to issuance of permanent ) Certificate of Public Convenience ) and Necessity, and for a permanent) Certificate of Public Convenience ) and Necessity to operate as a ) passenger stage corporation.

Application No. 57576 (Filed September 15, 1977; amended October 21, 1977)

Christopher Ashworth, Attorney at Law, for applicant.

Knapp, Stevens, Grossman & Marsh, by Warren N.
Grossman, for The Gray Line Tours Company; and
W. L. McCracken, Attorney at Law, for California

Parlor Car Tours; protestants.

Masaru Matsumura, for the Commission staff.

## <u>OPINION</u>

Lounge Car Tours, Inc. (applicant) seeks a certificate of public convenience and necessity to operate as a passenger stage corporation pursuant to Section 1031 of the Public Utilities Code.

The Gray Line Tours Company (Gray Line) and California Parlor Car Tours (Parlor Car), the latter a subsidiary of the Greyhound Corporation, protested the application. Hearings on the application were held at Los Angeles on January 18, 19, and 20, 1978, at which time the matter was submitted with concurrent briefs to be filed 60 days after receipt of the transcripts. Background

Applicant is a New York corporation authorized to do business in California with offices at Woodland Hills, California. Applicant commenced its California operations in August 1976 without

benefit of a certificate of public convenience and necessity issued by this Commission. Applicant alleges that operations in California began after receipt of an informal opinion from the Commission staff that the proposed operation was not within the Commission's jurisdiction.

On July 12, 1975, Parlor Car filed Case No. 10138 alleging that applicant held no operating authority from the Commission while holding out, providing, or arranging or offering to provide passenger stage service and requested the Commission to issue a cease and desist order. By Decision No. 86176 dated July 27, 1976, applicant was ordered to cease its California operations. On August 3, 1976, by Decision No. 86215, Decision No. 86176 was temporarily suspended pending further order of the Commission. Public hearing in Case No. 10138 was held on August 16, 1976, at which time the matter was submitted. Applicant has been operating continuously since Decision No. 86215 was issued.

Concurrently with the filing of this application, applicant filed a motion to dismiss the application alleging that the nature of the proposed activity in the application is not subject to Commission jurisdiction and no certificate of public convenience and necessity is required. We are of the opinion that applicant's proposed operation is that of a common carrier of passengers subject to this Commission's jurisdiction. The motion to dismiss the application should be denied.

#### Applicant's Presentation

Applicant proposes to operate sightseeing and pleasure tours with prepaid sales of hotel space, dining accommodations, access to entertainments, and access to parks and places of scenic and educational interest as follows:

## Tour I

A five-day/four-night tour from San Francisco to Los Angeles with overnight stops in Yosemite National Park, Monterey, and San Luis Obispo while also visiting Santa Barbara, Solvang, Pismo Beach, Morro Bay, Big Sur, Merced, and Modesto.

## Tour 2

A five-day/four-night tour from Los Angeles to San Francisco. This is the reverse of Tour 1 with the stops at the same points of interest.

## Tour 3

A three-day/two-night tour from San Francisco to Los Angeles with overnight stops at Monterey and San Luis Obispo or Solvang. Points of interest visited include Monterey, Big Sur, Hearst Castle, Solvang, and Santa Barbara.

## Tour 4

A three-day/two night tour from Los Angeles to San Francisco via U.S. Highway 101. This tour is the reverse of Tour 3.

Testifying on behalf of applicant was its president, Mr. Earl Glantz; its vice president, Mr. Al Mintz; and six supporting witnesses. Four of the supporting witnesses were in the travel agency business, one in the hotel business, and one a prospective tour customer.

Applicant alleges that its operation is a totally different class or dimension of tour service presently available in California; that its tours are presently confined to interstate traffic, i.e., tours begin and end outside of California; that while it has been operating, its service has been well received; and that operations to date have not caused any diversion of protestant Parlor Car's traffic.

The difference in service, as alleged by applicant, is in the type of equipment utilized in the performance of the tour service. The hotels, restaurants, and entertainments offered are the same as protestants. The application alleges that the difference in equipment is that while protestants use buses which accommodate up to 47 passengers, applicant has refurbished its buses to where only 16-20 passengers can be accommodated; that the seats are on swivels so that passengers can make 360 degree turns; and that the buses are stero-equipped and carpeted to create an atmosphere "not reminiscent of an over-the-road vehicle." To support its contentions, applicant introduced 15 exhibits. These exhibits are mostly brochures showing the interior of the equipment.

The supporting travel agency witnesses each attested to the difference in character of applicant's vehicles from those of "conventional tour equipment." They stated that the 16- to 20-seat configuration permits passengers to socialize with one another to such an extent that the vehicle loses its character as a vehicle and the tour becomes something in the nature of a social gathering; that the proposed operation would, in some circumstances, be the determining factor on whether a customer vacationed in California; and that because of applicant's operations a substantial number of customers could be induced to forego planned fly/drive vacations to utilize applicant's service.

The sales manager of the Doubletree Inn in Monterey testified in support of the application. He stated that he supports the application because his patronage projections require that about 15 percent of the hotel guests arrive on scheduled tours and that since his hotel has not been able to make any arrangements with protestant Parlor Car, it is necessary to have this application approved in order to meet these patronage goals.

Applicant's president, Mr. Earl Glantz, testified that after commencing operations in 1976 there was a small loss sustained but that projections for 1978, supported by advance bookings, would produce a profit. He stated that applicant presently has three

A.57576 dr Silver Eagle vehicles and plans to purchase three additional pieces of equipment to operate the proposed service. Mr. Al Mintz, applicant's vice president, testified regarding applicant's operations and stated that (1) since its inception applicant has attempted to structure its lounge cruiser: to effectively obliterate the transportation aspect of the tour; (2) present operations are confined to passengers having tour connections with interstate air service: (3) an increase of foreign tour business is anticipated; (4) a similar service is not now being offered; and (5) he believed there would be little diversion of existing tour traffic. Protestants Presentation Mr. Bipin Ramaiya, vice president and general manager of Parlor Car, testified for protestants. Mr. Ramaiya testified that (1) his company is a subsidiary of the Greyhound Corporation; (2) it caters to approximately 40,000 sightseeing passengers a year; (3) it employs 15 full-time office. employees and between 15 and 50 drivers depending on the time of the year; and (4) it has offices in San Francisco and Los Angeles. In emphasizing that Parlor Car was meeting its responsibility to the public, Mr. Ramaiya introduced 28 exhibits. He stated that (1) Parlor Car is presently operating tours identical to that proposed by applicant, (2) during 1977, 33,709 passengers were transported on the tours similar to those proposed by applicant, (3) with 569 scheduled departures, Parlor Car operated 682 buses. (4) Parlor Car has only 21 cancellations out of 1,383 scheduled departures, (5) although applicant's buses seat 43 passengers, -5-

a maximum of only 36 persons are placed on a bus (32 persons) when 39-seat equipment is utilized), (6) the average load in 1977 was 22 passengers. (7) Parlor Car is competing worldwide for the traveler's dollar, (8) if a potential client comes to California, the competitive marketplace is saturated with charter tours, fly-drive programs, and other available tour services, (9) Parlor Car engages in an extensive advertising program throughout the world to attract tour patrons, (10) innovative and progressive programs are used to keep tours suitable to the public, i.e., changing hotels and restaurants as needed, (11) only the latest model inter-city type coaches are used, (12). in recent years no request for a tour reservation has been refused because of a shortage of drivers or equipment, (13) neither a cancellation charge nor a deposit is required and passengers can cancel on the morning of the scheduled departure, and (14) neither the Commission nor its staff have indicated that Parlor Car's service is inadequate because it is not operating low-seating capacity buses.

Mr. Ramaiya testified that should the Commission determine that it would be in the public interest to provide its service in 20-passenger "luxury" vehicles, Parlor Car would do so.

Also testifying on behalf of Parlor Car's protest were the following:

- (1) Mr. Stefan Mayer, manager of tour development for TWA, an air transportation company. Mr. Mayer stated that TWA has been working with Parlor Car for a number of years; that in 1977 it sold over 4,000 tours; that service has always been exceptionally good and he has never received any complaints; and that Parlor Car offers TWA a wide spectrum of options within which TWA can provide its customers better service.
- (2) Mr. John Richard Duncan, a travel agent from Fairfield, Connecticut. Mr. Duncan stated

that his firm provides marketing services to tour wholesalers, tour operators, steamship companies, and airlines through a network of approximately 375 retail travel agencies in the States of New York, New Jersey, Connecticut, Massachusetts, and Rhode Island; that he has been acquainted with Parlor Car for over 20 years; that the level of satisfaction has been unimpeachable; and that his attempt to market applicant's service was a failure.

- (3) Mr. William Parson, a travel agent headquartered in Paramus, New Jersey. Mr. Parson stated that he was associated with two travel firms; that one firm operated 53 retail travel agencies and is probably the largest travel agency in the world; that the other is a wholesaler of tours; that Parlor Car has been extremely reliable; that to his knowledge no passenger has ever been dissatisfied, and that competition for the sake of competition is destructive.
- (4) Delmont Stokes, a tour director with headquarters in Las Vegas, Nevada. Mr. Stokes stated that his firm is a wholesaler that packages tours to Hawaii and the West Coast; that Parlor Car has been included in the packages since 1973; and that service has been very satisfactory.
- (5) Mr. Ralph Seligman, a travel agent with offices in San Francisco. Mr. Seligman stated that he has been in the travel business since 1958; that his company functions as a ground operator, i.e., a group that meets organized tours and arranges all local services; that there are many charter bus operators who provide service to tour groups virtually duplicating Parlor Car's routes; that he did not believe there was a need for applicant's service; and that Parlor Car's service has always had a deluxe aura about it.

(6) Mr. Gene Dennis, a travel agent with offices in Boston, Massachusetts. Mr. Dennis stated that he had been in the travel agency business for approximately 30 years; that his agency is a deluxe operation catering to an affluent-type person; that his agency has been doing business with Parlor Car for close to 20 years and is very pleased with the service; that he has never had a tour canceled; and that he favors Parlor Car's use of the American Plan.

Gray Line did not present any witnesses.

The Commission staff did not present a witness but filed a brief recommending that the application be denied. In reaching that conclusion, the staff pointed out that the proposed service is an exact duplicate of Parlor Car's and that no evidence was produced by applicant to show that the present service is not satisfactory.

A summary of applicant's presentation and position is that it operates equipment suitable to its holding itself out as a super luxury or super class tour operator; that there has been excellent public acceptance; and that since operations began in August of 1976, there has not been a discernible diversion of protestants' tour patrons.

Applicant argues that Section 1032 of the Public Utilities Code does not bar the grant of authority sought in the application. The section does not either forbid the existence of a new passenger stage corporation in a territory, nor does it require that the Commission be persuaded that the service being performed by the existing carrier is inadequate. Applicant asserts that Section 1032 demands that the Commission satisfy itself that the existing carrier will not provide such service to the Commission's satisfaction.

In Decision No. 90154 in Application No. 56580, O'Connor Limousine Service, Inc. dba O'Connor Tours Service, we stated:

"Traditionally, the satisfactory service test of existing carriers has been based on the relatively narrow analysis of factors such as route patterns, service frequency, adequacy of equipment, and the fitness of applicant. There are, however, other significant underlying factors which have, in our opinion, not received enough attention. Never, for example, has the Commission addressed the ultimate question of whether monopoly service is of itself unsatisfactory service to the public.

"This nation's antitrust laws and policies are premised on the understanding that competitive service generally results in a superior overall level of service to the public. Competition tends to bring out the highest degree of effort and imagination in a business endeavor to the benefit of the In the area of sightseeing bus operapublic. tions, competition will have a direct bearing on the quality of overall treatment afforded passengers, rates, scheduling, equipment condition, and operational innovation generally. California needs an influx of vigorous, innovative thinking and application if publicly acceptable alternatives to private auto use are to fully develop. We state now that competition in the area of sightseeing bus operations is a most desirable goal.

"We are here dealing with sightseeing service. This class of service, unlike the traditional common carrier passenger stage operation, is essentially a luxury service, recreationally oriented and essentially different from the conventional point-to-point public transportation service, and therefore it is a service less imbued with that essentiality to the public welfare which we usually hold inherent in the underlying concept of public convenience and necessity. Accordingly, it is a service less entitled to the strict territorial protectionism from competition and competitive factors which necessarily is accorded the 'natural' utility monopolies such as electric, gas, or telephone utilities.

"In the sightseeing field a policy of fostering limited competition under regulation would have a beneficial effect for the public interest in that it would tend to lead to development of

a territory and improved methods, forms or routes of transportation, and would best meet special requirements of segments of the general public. Furthermore, it would tend to promote good service and to hold down fares. We believe that the competition of ideas and results is healthy, and accordingly we will look to the circumstances of each application in the sightseeing field to determine whether or not the public interest requires certification of that application. The granting or withholding of a certificate of public convenience and necessity is a legislative act which rests in the discretion of this Commission. The Commission may grant a number of certificates covering the same route or routes."

Applicant proposes an operation which meets the threshold test as one being in the public interest. It proposes an innovation to the generally accepted sightseeing bus, the 20-passenger configuration seating which tends to de-emphasize the transportation aspect of sightseeing tours. Further, as testified to by the travel agency operators on behalf of applicant, applicant's operation could well be the determining factor in a customer vacationing in California as well as inducing customers to forego planned fly/drive vacations.

Applicant is ready and willing to operate the service proposed. The evidence shows that the organization is properly financed and has the requisite managerial experience. As we stated in Decision No. 90154, "The public interest in this instance is best served by the competitive forces of the marketplace. As we have stated elsewhere, we do not believe the legislative intent in enacting Section 1032 was to bar competition, but rather to foster it within statutory guidelines...." Accordingly, we will issue applicant a certificate of public convenience and necessity to operate the proposed service.

<sup>1/</sup> Applicant has operated continuously since July 1976 except for the period July 27, 1976, to August 3, 1976, without apparent diminution of protestants' traffic.

Gray Line requested that should the Commission determine that public interest requires granting the application, that the certificate issued be restricted to vehicles with a 20-passenger limitation. Applicant was agreeable to such a limitation. Findings of Fact

- 1. Applicant seeks a certificate of public convenience and necessity to operate as a passenger stage corporation for four tours enumerated in Appendix A.
- 2. On the strength of an informal opinion of the Commission staff dated April 22, 1976, that its operations were outside the Commission's jurisdiction, applicant began operations in August 1976.
- 3. Concurrent with the filing of this application, applicant filed a motion to dismiss the application for lack of jurisdiction.
- 4. Applicant proposes to operate overnight sightseeing tours with prepaid per capita sales of hotel space, dining accommodations, access to entertainments, and access to parks and places of scenic/educational interest.
- 5. The application should be granted since applicant's proposed service is different from that presently offered by existing certificated carriers in that:
  - a. Protestants' vehicles accommodate up to 47 passengers,
  - b. Applicant's equipment, although originally built to accommodate 47 passengers, has been refurbished to accommodate only 16-20 passengers,
  - The seats in applicant's vehicles are on swivels so that passengers can make 360 degree turns, and
  - d. Applicant's vehicles are carpeted and stereo-
- 6. The equipment used by applicant for its tours is distinct from that used by protestants Parlor Car and Gray Line.
- 7. The difference in character of applicant's vehicles can be the determing factor on whether a customer will vacation in California.

- 8. Protestant Parlor Car caters to over 40,000 sightseeing customers a year, employs 15 full-time office employees and between 15 and 50 drivers, and operates tours similar to those proposed by applicant except as set forth in Finding 5 above.
- 9. Applicant has been operating continuously since August 1976 without a significant diminution of protestants' traffic.
- 10. Applicant has the requisite equipment and financial fitness to provide the per capita sightseeing service on the proposed tours included in the application.
  - 11. A public need exists for the proposed service.
- 12. Competition between applicant and the existing certificated passenger stages under regulation will be in the public interest in that it will lead to the development of the class of service by each type of passenger stage operation, it will promote good service, and it will hold down fares.
- 13. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
- 14. Public convenience and necessity require that applicant be granted a certificate to operate the tours proposed in the application limited to 20-passenger vehicles.

  Conclusion of Law

The Commission concludes that the application for a certificate of public convenience and necessity authorizing applicant to operate as a passenger stage corporation as contained in the application should be granted to the extent provided in the order which follows.

Lounge Car Tours, Inc. 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.

# DRDER

#### IT IS ORDERED that:

- 1. The certificate of public convenience and necessity (PSC 1064) granted to Lounge Car Tours, Inc. authorizing it to extend its operations as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, over the routes set forth in Appendix A of Decision No. 90232 is amended by First Revised Page 2, First Revised Page 3, First Revised Page 4, First Revised Page 5, Original Page 6, and Original Page 7, as included as Appendix A of this decision.
- 2. All tours added to the certificate by this order shall be conducted in equipment as described in Findings 5.b, 5.c, and 5.d.
- 3. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure to do so may result in a 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 thirty days after the date hereof.

Dated OCT 10 1979, at San Francisco, California.

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

I dissent Vernon d. Struge

- Townshill Count

-14-

First Revised Page 2
Cancels

Original Page 2

.

LOUNGE CAR TOURS, INC.

Appendix A (D-90232)

	TUDCA	rage No
SECTION 1.	GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS AND SPECIFICATIONS	
SECTION 2.	AUTHORIZED POINTS OF ORIGIN/TERMINATION	
SECTION 3.	ROUTE DESCRIPTIONS	72
*:	TOUR 1 Los Angeles - San Diego	5
*	TOUR 2 San Francisco - Los Angeles (5 day)	6.
*	TOUR 3 San Francisco - Los Angeles (3 day)	6
	Marin / Mari Arra Tan Gara Marina Dalay Oranta	

Issued by California Public Utilities Commission.

\*Changed or added by Decision No. 90887\_\_\_, Application No. 575762

First Revised Page 3-Cancels Original Page 3

Appendix A (D-90232)

LOUNCE CAR TOURS, INC.

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

Lounge Car Tours, 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 for sightseeing or pleasure tour purposes originating and terminating at any of the points listed in Section 2, on the one hand, and various points of interest on the tour hereinafter described, on the other hand, subject, however, to the authority of this Commission to change or modify said points or tour route at any time and subject to the following provisions:

- (a) All such transportation shall be conducted on a sightseeing or pleasure tour basis.
- (b) Tours shall originate and terminate at one or more of the authorized points and shall be operated on an "on-call" basis. 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.
- \*(c) Service on Tour 1 and Tour 4 herein authorized shall be limited to the transportation of round-trip passengers only.
  - (d) Tours shall be conducted on a continuous basis except for stops for sightseeing, meals and lodging.
  - (e) Tours shall include more than bare expeditious point-topoint transportation and shall provide accessorial services including, but not limited to, tour guides, restaurant meals and accommodation for lodging; tariffs shall define and include the charges for such accessorial services.
- \* (f) Tour I shall include two or more nights of prepaid hotel accommodations in San Diego at any of the hotels listed at -Note-A-in-the-Route-Descriptions, below.

Issued by California Public Utilities Commission.

\*Added or changed by Decision No. 90887, Application No. 57576.

Appendix A (D-90232)

LOUNGE CAR TOURS, INC.

First Revised Page 4
Cancels
Original Page 4

- (g) Loading and unloading of passengers at the Beverly Hilton Hotel shall be either on hotel property or on Santa Monica Boulevard (south roadway).
- (h) Within the City of Beverly Hills, vehicles shall only traverse the streets designated as "Heavy Traffic Streets" in Section 3-6.104 of the Beverly Hills Municipal Code.
- \* (i) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- \* (j) Alternate Routes may be operated only in combination with or as part of the regular routes to which they are related.
- \* (k) Service on Tours 2, 3 & 4 to be in vehicles with no more than 20 passenger seats, said seats to be mounted to swivel 360°. The vehicles are to be no less than 35' in length, carpeted and equipped with stereo-sound equipment.

#### SECTION 2. AUTHORIZED POINTS OF ORIGIN/TERMINATION

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

LOS ANGELES AREA	Address
The Bonaventure Hotel	Fifth St. & Figueroa St. Los Angeles
The Wilshire-Hyatt Hotel	3515 Wilshire Blvd. Los Angeles
The Hollywood Holiday Inn	1755 Highland Av. Los Angeles
The Beverly Hilton Hotel	9876 Wilshire Blvd. Beverly Hills
Total (In a series ) (Assert) - Asserted Asserted - Asserted Asserted - Asser	
	territoria de la companio del companio de la companio del companio de la companio del la companio de la companio de la companio de la companio de la companio del la companio de la companio del la companio del la companio de la companio del la

Issued by California Public Utilities Commission.

PWL/dr

Appendix A (D-90232)

LOUNCE CAR TOURS, INC.

First Revised Page 5 Cancels Original Page 5

SAN FRANCISCO

Address

Sheraton at Fisherman's Wharf ""

2500 Mason St. San Francisco

Holiday Inn - Union Square

480 Sutter St. San Francisco

Hotel Sir Francis Drake

Powell St. & Sutter St. San Francisco

SECTION 3. ROUTE DESCRIPTIONS

TOUR 1 Los Angeles - San Diego

Beginning at one or more of the points named in Section 2, thence by the appropriate city streets to State Highway 11 (Harbor Freeway), thence via State Highway 11 to Interstate Highway 405 (San Diego Freeway), thence via Interstate Highway 405 to Interstate Highway 5, thence via Interstate Highway 5 to the City of San Juan Capistrano, thence via the appropriate city streets to view various points of interest, thence via the appropriate city streets to Interstate Highway 5, thence via Interstate Highway 5 to the City of San Diego, thence via the appropriate city streets to various points of interest and the hotels of the passengers (See Note A). Thence via the appropriate city streets to Interstate Highway 5, thence via Interstate Highway 5 to Interstate Highway 405, thence via Interstate Highway 405 to State Highway 11, thence via State Highway 11 and the appropriate city streets to the point (s) of beginning.

> Note A: The following hotels are to be utilized in San Diego:

#### Hotel

Address

The Hanalei Hotel The Town & Country Hotel The San Diego Hilton Hotel The Islandia Hyatt House Hotel

2770 Hotel Circle North 500 Hotel Circle North 1775 East Mission Bay Drive 1441 Quivira Road

Issued by California Public Utilities Commission.

\*Changed or added by Decision No. OOROW, Application No. 57576.

Original Page 6

TOUR 2 San Francisco - Los Angeles (5 days)

Beginning at one or more of the points named in Section 2 thence via by the appropriate city streets to Interstate Highway 80(I-80) thence via I-80 to Interstate Highway 580 (I-580) thence via I-580 State Highway 132 thence via State Highway 132 to State Highway 99 thence via State Highway 99 to State Highway 140 thence via State Highway 140 to Yosemite National Park thence via various roads in the Park for sightseeing within the Yosemite National Park thence via State Highway 140 to the State Highway 99 thence via State Highway 99 to State Highway 152 thence via State Highway 152 to State Highway 156 thence via State Highway 156to U.S. Highway 101 thence via U.S. Highway 101 to State Highway 156 thence via State Highway 156 to Monterey thence via the local streets of Monterey to the 17 Mile Drive thence via the 17 Mile Drive to Carmel thence via the street of Carmel to State Highway 1 thence via State Highway 1 and local streets of Monterey to lodging at a hotel in Monterey thence via local streets of Monterey to State Highway I thence via State Highway 1 to U.S. Highway 101 thence via U.S. Highway 101 to State Highway 246 thence via State Highway 246 to State Highway 156 thence via State Highway 156 to U.S. Highway 101 thence via U.S. Highway 101 to the Highland Avenue Exit in Hollywood thence via the local streets to one or more of the points named in Section 2.

TOUR 3 San Francisco - Los Angeles (3 days)

Beginning at one or more of the points named in Section 2 thence via by the appropriate city streets to Interstate Highway 80(I-80) thence via I-80 to U.S. Highway 101 thence via U.S. Highway 101 to the junction of State Highway 156 thence via State Highway 156 to San Juan Bautista thence via State Highway 156 to U.S. Highway 101 thence via U.S. Highway 101 to State Highway 156 thence via State Highway 156 to State Highway 1 thence via State Highway 1 to Monterey thence via Monterey city streets to the 17 Mile Drive thence via 17 Mile Drive to Carmel thence via Carmel city streets to State Highway I thence via State Highway 1 and Monterey city streets to Monterey thence via Monterey city streets and State Highway 1 to U.S. Highway 101 near San Luis Obispo thence via U.S. Highway 1 to the Avila Beach Exit thence via county roads to Port San Luis thence via county roads to U.S. Highway 101 thence via U.S. Highway 101 to State Highway I thence via State Highway 1 to State Highway 246 thence via State Highway 246 to State Highway 156 thence via State Highway 156 to U.S. Highway 101 thence via U.S. Highway 101 to the Highland Avenue Exit: in Hollywood thence via the appropriate city streets to one or more of the points named in Section 2.

Issued by California Public Utilities Commission.

Decision No. 90887 , Application No. 57576.

Appendix A

LOUNGE CAR TOURS, INC.

Original Page 7

TOUR 4 Los Angeles - Palm Springs - San Diego

Beginning at one or more of the points named in Section 2 thence via the appropriate city streets to U.S. Highway 101 (Hollywood Freeway) thence via U.S. Highway 101 to Interstate Highway 405 (San Diego Freeway) thence via Interstate Highway 405 to State Highway 19 thence via State Highway 19 to State Highway 1 thence via State Highway 1 to State Highway 133 thence via State Highway 133 to Interstate Highway 405 thence via Interstate Highway 405 to Interstate Highway 5 thence via Interstate Highway 5 to the City of San Juan Capistrano thence via the appropriate city streets to view of various points of interest thence via the appropriate city streets to Interstate 5 thence via Interstate 5 to City of San Diego thence via Interstate 5 to the border between California and Mexico near San Ysidro thence via Interstate 5 to the City of San Diego thence via the city streets of San Diego to State Highway 163 thence via 163 to Interstate 15 thence via Interstate 15 to State Highway 60 thence via State Highway 60 to Interstate Highway 10 thence via Interstate Highway 10 to State Highway 111 thence via State Highway 111 to the City of Palm Springs thence via local streets and roads for sightseeing thence via State Highway 111 to Interstate Highway 10 thence via Interstate Highway 10 to State Highway 11 in the City of Los Angeles thence via State Highway 11 and the appropriate city streets of Los Angeles to the points of the beginning.

#### ALTERNATE ROUTE FOR TOUR 2 AND 3

In the event State Highway I is closed between the City of Carmel and the community of San Simeon, the route will depart from the City of Monterey by State Highway 68 thence via State Highway 68 to U.S. 101 thence via U.S. 101 to State Highway 46 thence via State Highway 46 to State Highway I thence via State Highway I to San Simeon.

END OF APPENDIX A

Issued by California Public Utilities Commission.

Decision No. 90887 , Application No. 57576.