

Decision No. ~~90330~~ NOV 6 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of )  
SANTA MONICA CAROUSEL CORPORATION for )  
certificate of public convenience and )  
necessity to operate a passenger and )  
baggage service between the City of )  
Santa Monica and Los Angeles Inter- )  
national Airport. )

Application No. 59072  
(Filed August 16, 1979)

OPINION AND ORDER

By this application, Santa Monica Carousel Corporation (Carousel) seeks authority to provide an airport bus service between certain hotels in Santa Monica and Los Angeles International Airport (LAX).

The route from Santa Monica to LAX would be along Ocean Avenue, Neilson Way, Washington Street, Admiralty Way, Fiji Way, Lincoln Boulevard, and Sepulveda Boulevard. A map of the proposed route is attached to the application.

The proposed fares are \$6 one way and \$10 round trip. Passengers would be guaranteed seats by telephone reservations. Other passengers would be picked up on a first-come-first-serve basis. The Santa Monica hotels proposed to be served are the Huntley House, Miramar Hotel, Surf Rider Inn, Holiday Inn, and Pacific Shores Hotel (Royal Inn).

Carousel plans to use American-made vans which it would lease. Assertedly, these would be luxury vehicles capable of carrying 11 passengers and their baggage. The vehicles would be equipped with two-way radio communication, air conditioning, tinted glass, stereo radio, carpeting, power equipment, safety devices, and California emission controls.

Carousel contends that the only passenger transportation service between Santa Monica and LAX is provided by a regular passenger bus operated by the Southern California Rapid Transit District (SCRTD) and taxicabs. On that route LAX is an intermediate point between Santa Monica and Long Beach. Assertedly, there is no provision for luggage stowage or handling. Passengers must transfer to a second SCRTD vehicle before reaching their destinations inside LAX. Carousel believes that the SCRTD service is seldom used by hotel guests or other travelers with luggage and that the proposed service would be no more than nominally competitive with the SCRTD service.

Carousel believes that overcrowding at LAX, fuel shortage, and ecological considerations combine to make its proposed service convenient and necessary..

The corporation's balance sheet as of March 31, 1979 shows assets of \$120,129 and shareholders' equity of \$8,294. The income statement for the period August 19, 1978 to March 31, 1979 shows net receipts of \$24,725 and net income of \$8,730 after expenses. Carousel also operates a restaurant which produced a small loss for the month of March 1979.

The application was served upon SCRTD, Airport Service, Inc., and Airporttransit. There are no protests. Airport Service, Inc. and Carousel have agreed to a provision limiting operations to use of vehicles with a capacity not exceeding 25 passengers. The Commission's Transportation Division recommends that the authority be granted ex parte, subject to the vehicle size restriction.

Findings of Fact

1. Carousel seeks authority to operate as a passenger stage corporation providing airport transportation of passengers and their baggage between certain hotels in Santa Monica and LAX.

2.. The only competing transportation agencies Carousel is aware of are SCRTD and taxicab companies.

3. Carousel can lease the necessary equipment and has the necessary financial resources to perform the proposed service.

4. The proposed fares are justified.

5. Carousel and Airport Service, Inc. have agreed that the proposed service should be limited to operation of vehicles not exceeding a carrying capacity of 25 passengers each.

6. The Commission staff supports the application with the vehicle size limitation specified in Finding 5.

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

8. Carousel has demonstrated that public convenience and necessity require granting of the application, subject to the vehicle size limitation specified in Finding 5.

Conclusion of Law

It is concluded that the sought authority should be granted. Since there are no protests, and since the public will benefit from immediate institution of the service, the following order should be effective the date of signature.

Carousel 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.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Santa Monica Carousel 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 as described in Appendix A hereof.

2. 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 of 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 is the date hereof.

Dated NOV 6 1979, at San Francisco, California.

John E. Byrne  
President  
Richard D. Roach  
James L. Smith  
Commissioners

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
PSC No. 1093

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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. 90990 dated NOV 6 1979, of the Public Utilities Commission of the State of California, in Application No. 59072.

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

Santa Monica Carousel Corporation 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 Los Angeles International Airport, on the one hand, and certain hotels in Santa Monica, on the other hand, along the route described in Section 3, subject, however, to the authority of this Commission to change or modify said route at any time and subject to the following provisions:

- (a) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (b) Service shall be restricted to the transportation of passengers in motor vehicles having a seating capacity not exceeding 25 passengers.

Issued by California Public Utilities Commission.

Decision No. 90990, Application No. 59072.

## SECTION 2. DESCRIPTION OF SANTA MONICA SERVICE AREA.

Service shall be authorized from and to each of the following locations along the most convenient and appropriate streets and highways, thence along the route specified in Section 3:

<u>Hotel:</u>	<u>Location:</u>	<u>City:</u>
Huntley House Hotel	1111 Second Street	Santa Monica
Miramar Sheraton Hotel	Ocean Avenue and Wilshire Boulevard	Santa Monica
Holiday Inn	120 Colorado Avenue	Santa Monica
Surf Rider Inn	1700 Ocean Avenue	Santa Monica
Royal Inn of Santa Monica	1819 Ocean Avenue	Santa Monica



## SECTION 3. ROUTE DESCRIPTION.

Starting at 1819 Ocean Avenue, thence southeasterly along Ocean Avenue and Neilson Way to Washington Street, east on Washington Street, southeasterly along Admiralty Way, east along Fiji Way, southeasterly along Lincoln Boulevard, south along Sepulveda Boulevard, to Los Angeles International Airport.

(END OF APPENDIX A)