

Decision No. 92282 OCT 8 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
Vandenberg Limousine Service,
Inc., dba San Luis Obispo Airport
Bus, to extend its Certificate
of Public Convenience and
Necessity to operate between
San Luis Obispo Airport and
various points in San Luis
Obispo County, Ca.

ORIGINAL

Application No. 59852
(Filed July 31, 1980)

O P I N I O N

The applicant presently has authority from this Commission as a passenger stage corporation (PSC-847) to operate an airport access passenger stage service between the Santa Maria Airport and Lompoc/Vandenberg Air Force Base. Applicant has operated between the Santa Maria Airport and Vandenberg Air Force Base since 1969, pursuant to a Certificate of Public Convenience and Necessity granted by the Commission in Decision No. 75665 dated May 13, 1969 in Application No. 50955. The service was extended to include the City of Lompoc in 1974, by authority of Decision No. 83686 in Application No. 55055.

By this application, applicant requests authority to extend its passenger stage operations to inaugurate similar service to and from the San Luis Obispo Airport. The new operations would provide economical individual fare transportation for airport passengers originating in or destined to points in the Cities of San Luis Obispo, Atascadero, Morro Bay, Pismo Beach, Grover City, and Arroyo Grande, the communities of San Margarita, Los Osos, Baywood Park, Avila Beach, and Shell Beach (a portion of the City of Pismo Beach), and Cuesta College, located near State Highway 1 between Morro Bay and San Luis Obispo. These new routes would be (as are applicant's existing routes) operated with

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15-passenger Dodge vans, equipped with air conditioning and custom interiors. Passenger fares would range from \$4.00 for the shortest journey (San Luis Obispo), to \$15.00 (Atascadero), with most of the other points at a fare of \$10.00 per passenger. Service would be available 24 hours a day, with a \$3.00 nighttime differential (additional fare) between the hours of 10:00 p.m. and 6:00 a.m. Children under five years of age would be carried free when accompanied by an adult passenger and not occupying seats to the exclusion of other passengers. Applicant's financial statement reveals assets of \$33,000 including \$8,000 cash, \$9,600 in accounts receivable and \$9,200 in operating property after reserve for depreciation.

Notice of this application was listed in the Commission's Daily Calendar of August 5, 1980, and applicant served copies thereof on the County of San Luis Obispo and the Cities of San Luis Obispo, Atascadero, Morro Bay, Pismo Beach, Grover City, and Arroyo Grande. There are no other passenger stage corporations in this territory authorized to operate any similar services to those proposed herein, and none to the San Luis Obispo Airport. As applicant avers, "...there is no public transportation service available for airline passengers arriving and departing San Luis Obispo Airport. The only method of transportation is private-owned vehicle, rent-a-car, and taxicab."

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A letter dated August 19, 1980 was submitted on behalf of San Luis Transportation Company (SLTC). SLTC holds no Commission passenger stage operating authority and therefore does not operate as a passenger stage corporation. It does, however, operate a taxicab business pursuant to the applicable local taxi ordinances. SLTC objects to the authorization of the passenger stage services proposed herein. Upon consideration, we do not find SLTC's objections persuasive.

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First, SLTC questions whether public convenience and necessity ^{is required} ~~exists~~ for the proposed new services, stating that "the county's transportation plan makes no reference to such a passenger stage service, or a need thereof". However, public convenience and

SS necessity is a matter for this Commission to determine, and whether or not a need for a new service is referred to in a given plan or report is, while of possible evidential ^{of} value, not determinative of the question, nor binding on the Commission. The San Luis Obispo Airport receives regular public airline service operated by Swift Aire Lines, and it is the only public passenger airport between Santa Maria and Paso Robles. As such, it functions as the local airport for passengers originating from or destined to points from Arroyo Grande on the south to Atascadero on the north. It is precisely these passengers that the applicant proposes to provide with its new passenger stage services as proposed herein. To say that the public transportation needs at San Luis Obispo Airport are fully met by the availability of a local taxicab service and an automobile rental business, is not persuasive given the facts of scheduled airline service at this airport and the distances many of these airline passengers must travel to reach the airport from their homes. Also, airport access passenger stage services similar to those proposed herein co-exist with local taxicabs at a good number of California's airports, e.g. San Francisco, San Jose, Oakland, Sacramento, Little River, Santa Maria, Los Angeles, and San Diego, and it is the public which is the beneficiary from the growth and development of these services. Further, ^{expression of} public support for the authorization of these new passenger stage services have been received. In a letter dated August 27, 1980, Mr. Charles G. Wiswell, President of Swift Aire Lines, states that: "Vandenberg Limousine Service has provided both passenger and cargo pick-up and delivery service at the Santa Maria Airport for many years. The service is dependable and reasonably priced. There is a need for this service at the San Luis Obispo Airport." ~~I believe it would be a viable business for someone with Percy Clark's experience. It is in the public interest that such service be available. Your action to approve the application at the earliest possible date would be most helpful to this area." Percy Clark is President of the applicant Vandenberg Limousine Service, Inc. and Swift~~

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Aire Lines operates passenger airline service at both San Luis Obispo and Santa Maria Airports.^{1/} And, by its Resolution No. 80-263 dated July 21, 1980, the Board of Supervisors of San Luis Obispo County granted the application ^{and} a use permit to operate at the San Luis Obispo Airport. ~~The airport is a county facility. The Board granted the permit by unanimous vote.~~

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Second, SLTC claims that the applicant's proposed fares "would be more for most passengers" than hiring a taxicab from SLTC. Should this be the case for any given trip (a fact which would depend on whether the passenger is an individual traveling alone or is a member of a larger party, and the distance of his trip) then, for that trip, the taxicab company would have all the advantages of (1) lower cost, (2) quicker response time with, probably, shorter advance-reservation time, and (3) exclusive occupancy of the entire vehicle for the traveling party, ~~instead of only selling the passenger a single seat.~~ Our interest in this regard is properly that we do not authorize a passenger stage utility to charge unreasonably high fares, and the fares proposed by the applicant herein are in point of fact not excessive in light of the services it would provide the public. For example, we have previously found that a \$10.00 per person fare was reasonable on applicant's existing airport access passenger stage route between the City of Lompoc and the Santa Maria Airport, Decision 91884 dated June 3, 1980 in Application 59568. The applicant's service between Lompoc and the Santa Maria Airport is essentially comparable to the new services proposed herein ~~and~~ which are similarly priced.

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Third, SLTC alleges that the applicant would not actually operate as a passenger stage corporation but would instead operate a taxicab business. However, the services as proposed in the application are those of a passenger stage corporation. There is no requirement

1/ Also, by letter dated September 9, 1980, Frank Green, Manager of Rice Travel Service, states that: "Being one of the largest travel agencies in the county, we fully support this additional service. There is a definite need for this type of transportation between points here in the county and the airport." Rice has offices in San Luis Obispo, Arroyo Grande, and Morro Bay and is an American Express Travel Service Representative.

SS / that passenger stage services be restricted to SLTC's formulation of "scheduled fixed-route" operations; to the contrary, some of the most useful passenger stage services in California operate on an "on-call" or "demand-responsive" basis, providing the public with convenient and necessary transportation in a variety of settings including airport access services like ^{those} that proposed herein.^{2/} The need to conserve energy requires that new mass transit services be developed, but they should not be forced to operate schedules with no passengers on board. Should the applicant ever exceed the passenger stage authority granted below and undertake to inaugurate a local taxicab business, then SLTC can seek any appropriate remedies it may have at that time; at this juncture, however, there is no proposal in the instant proceeding to operate a taxicab business and any such concern is merely speculative.

Fourth and finally, SLTC alleges that the proposal is "indefinite, uncertain, and overly broad. Service levels are not provided." This, however, is simply not the case. The application clearly proposes services to and from San Luis Obispo Airport, to be conducted on a 24-hour-a-day basis, with specified service regulations and requirements. The proposal is quite definite and certain, and is essentially similar to several passenger stage services already available for the public to ride at other airports.

SS / The public convenience and necessity requires that the traveling public be afforded the opportunity to receive the new passenger stage services proposed herein. We have considered the objections raised by SLTC and find that they are outweighed by the public's interest in receiving ^{the} ~~these~~ new service.^{3/}

2/ See also Bay Area-Los Angeles, Inc. 75 CPUC 225 (1963); Charter Sedan Service 70 CPUC 158 (1969); Tri-Terminal Limousine Service and Airport Limousine Service of Sunnyvale, Inc. Dec. 81684 in A.52849 & A.52852 24-Hour Airport Express, Inc. & Luxe Livery Service, Inc. Dec. 89074 in A57765 & A57850; and PUC Code Section 1035.

3/ By letter of September 12, 1980, G.L. Grote, Asst. to the City Admin. Officer of San Luis Obispo asked that we withhold authorization of the service to that city pending his negotiation with applicant. By letter and telegram of September 17, 1980, the city and applicant report agreement to limit this application's San Luis Obispo service to hotels, motels and the Greyhound and AMTRAK depots. The order below reflects these matters. The city supports the application as granted herein.

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Applicant avers that there "is an immediate need for this service", and that "the granting of the application herein would not have an adverse affect upon the environment of the area to be served. On the contrary, it will have the effect of reducing the number of automobiles operating to and from the San Luis Obispo Airport, thus improving the air quality and reducing the traffic congestion in San Luis Obispo County."

The Commission's Transportation Division recommends that the application be granted as provided in the ensuing order.

Findings of Fact

Upon consideration of the evidence, the Commission finds as follows:

1. Applicant seeks authority to operate as a passenger stage corporation providing service between points in San Luis Obispo County and the San Luis Obispo Airport.
 2. There is no other passenger stage corporation presently offering this type of service in this territory.
 3. Applicant has expertise and financial resources to institute and maintain the proposed service.
 4. The proposed fares appear to be justified.
 5. The Commission staff supports the application.
 6. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
 7. A public hearing is not necessary.
 8. The public convenience and necessity require~~s~~ granting of the application.
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Conclusions of Law

It is concluded that the sought authority should be granted. Since the public will benefit from immediate institution

of this service and the applicant is ready, willing and able to start service promptly, the following order should be effective the date of signature. Applicant 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.

O R D E R

IT IS ORDERED that:

1. A Certificate of public convenience and necessity is granted to Vandenberg Limousine Service, Inc., a corporation, authorizing it to extend operations as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, between certain points as named in the amended Appendix A, of Decision 83686, for the transportation of passengers and baggage only, as attached.
2. Appendix A of Decision 83686 is amended by incorporating First Revised Pages 2 and 3 attached hereto, in revision of Original Pages 2 and 3, respectively, and Original Pages 4,5 and 6 attached hereto.


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 98-Series, and the insurance requirements of the Commission's General Order 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 five days after the effective date of this order on not less than five 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 filings of tariffs and timetables set forth in the Commission's General Orders 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 operation in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

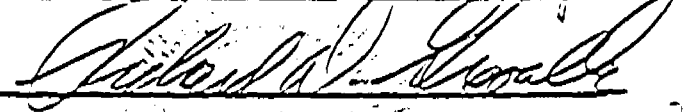
The effective date of this order is the date hereof.

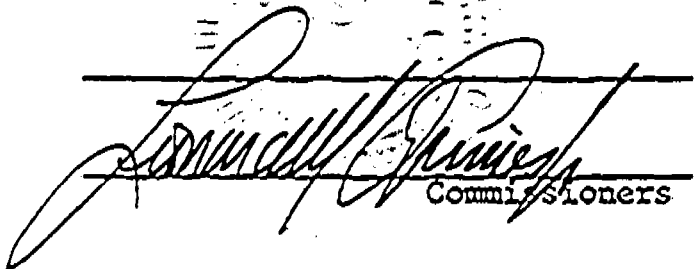
Dated OCT 8 1980, at San Francisco, California.



President







Commissioners

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

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

*Vandenberg Limousine Service, Inc., by the certificate of public convenience and necessity noted in the margin, is authorized to transport airline passengers and their baggage between the points listed below and the Santa Maria and San Luis Obispo Airports, over the routes hereinafter described and subject to the following provisions:

- (a) When route descriptions are given in one direction they apply to operations in either direction unless otherwise indicated.
- (b) On Route 1, service is limited to the transportation of passengers and their baggage having an origin or destination at the Santa Maria Public Airport.
- (c) No passengers may be picked up or discharged at intermediate points between Santa Maria Airport, on the one hand, and Vandenberg Air Force Base and the City of Lompoc, on the other hand.
- ** (d) On Routes 2 through 11 inclusive, service is limited to the transportation of passengers and their baggage having an origin or destination at the San Luis Obispo Airport.
- ** (e) Service on Routes 2 through 11 shall be rendered on an "on-call" basis. The carrier's tariffs and timetables shall show the conditions under which such "on-call" service will be operated.
- ** (f) Service on Routes 2 through 11 shall be provided with vehicles seating no more than 15 passengers, including the driver.
- ** (g) Service on Routes 2 through 11 may be operated under the name of Vandenberg Limousine Service, Inc., doing business as San Luis Obispo Airport Bus.
- ** (h) For operational purposes, routes may be combined as follows: Routes 2, 3 and/or 4; Routes 2, 5, 6 and/or 7; Routes 2, 8, 9, 10 and/or 11.

Issued by California Public Utilities Commission.

Decision No. 83636, Application No. 55055.

*Changed by Decision No. 92282, Application No. 59852.

**Aided by Decision No. 92282, Application No. 59852.

SECTION 2. ROUTE DESCRIPTIONS.

*Route 1 - Santa Maria Airport---Vandenberg Air Force Base/Lompoc

Commencing at the Santa Maria Airport, thence along Skyway Drive, Highway 1 (Orcutt Expressway), Vandenberg Road to Main Gate of Vandenberg Air Force Base, thence along Lompoc-Casmalia Road to the intersection with Highway 1 and Cabrillo Highway, along Highway 1 (North H Street-Lompoc) and reverse over same route.

*Route 1-A - Santa Maria Airport --- (Alternate route)

Commencing at Main Gate of Vandenberg Air Force Base, thence along Lompoc-Casmalia Road. Central Avenue, Union Sugar Road to South Gate of Vandenberg Air Force Base.

**Route 2 - San Luis Obispo Airport ---San Luis Obispo points

Commencing at the San Luis Obispo Airport, thence along appropriate streets and roads to the following points in San Luis Obispo:

<u>Name</u>	<u>Address</u>
1. Blue Bell Motel	3053 S. Higuera
2. Budget Motel	345 Marsh
3. Campus Motel	404 Santa Tosa
4. Coachman Inn	1001 Olive
5. Discovery Inn	1800 Monterey
6. Don Motel	1473 Monterey
7. Economy Motel	652 Morro
8. Toro Motel	625 Toro
9. Frontier Motel	677 Buena Vista
10. Homestead	920 Olive
11. Howard Johnson's	Los Osos Valley Rd. at US. 101
12. Lamplighter Motel	1604 Monterey
13. Los Padres Motel	1575 Monterey
14. Madonna Inn	100 Madonna Road
15. Town Motel	2001 Monterey
16. Motel Inn	2223 Monterey
17. Motel 6	1433 Calle Joaquin
18. Mustang Village	1 Mustang Drive
19. Olive Tree Inn	1000 Olive

(continued ...)

Issued by California Public Utilities Commission.

Decision No. 83686, Application No. 55055.

*Title only changed by Decision No. 92282, Application No. 59852.**Added by Decision No. 92282, Application No. 59852.

SECTION 2. ROUTE DESCRIPTIONS (Continued)

Route 2 (Continued)

	<u>Name</u>	<u>Address</u>
20.	Park Motel	1815 Osos
21.	Palm Motel	1628 Monterey
22.	Poly Motel	60 Casa
23.	Ritz Motel	2121 Monterey
24.	Royal Oak Motor Hotel	214 Madonna Road
25.	San Luis Hotel	697 Higuera
26.	San Luis Obispo Travelodge	1825 Monterey
27.	Sands Motel	1930 Monterey
28.	Somerset Manor	1895 Monterey
29.	Stenner Glen	1050 Foothill Blvd.
30.	Sunbeam Motel	1656 Monterey
31.	Town & Country Motel	2001 Monterey
32.	Tropicana Village	55 Broad
33.	Vagabond Motor Hotel	210 Madonna Road
34.	Villa San Luis Motel	1670 Monterey
35.	Village Motel	145 South Street
36.	Wineman Hotel	849 Higuera
37.	AMTRAK Train Station	Railroad Ave. & Santa Rosa
38.	Greyhound Bus Station	150 South Street

Route 3 - San Luis Obispo Airport --- Santa Margarita

Commencing at the San Luis Obispo Airport, thence along appropriate streets and road to U.S. Highway 101, thence north via Highway 101 and State Highway 58 (El Camino Real), thence via State Highway 58 to the Santa Margarita Service area. The Santa Margarita Service area is defined as all points along and within one-half mile on either side of El Camino Real, beginning on the south at U.S. Highway 101 and extending on the north to the southerly limit of the City of Atascadero.

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Decision No. 92282, Application No. 59852.

SECTION 2. ROUTE DESCRIPTIONS (Continued)

Route 4 - San Luis Obispo Airport---Atascadero

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to U.S. Highway 101, thence north via U.S. Highway 101 to the City of Atascadero.

Route 5 - San Luis Obispo Airport---Morro Bay

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to either State Highway 1 or Los Osos Valley Road, thence west via State Highway 1 or Los Osos Valley Road and appropriate streets and roads to the City of Morro Bay.

Route 6 - San Luis Obispo Airport---Cuesta College

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to State Highway 1, thence west via State Highway 1 and appropriate streets and roads to Cuesta College, located at Camp San Luis Obispo approximately midway between San Luis Obispo and Morro Bay.

Route 7 - San Luis Obispo Airport---Los Osos & Baywood Park

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to Los Osos Valley Road or State Highway 1, then west via Los Osos Valley Road or State Highway 1 and appropriate streets and roads to the Los Osos & Baywood Park service area. The Los Osos and Baywood Park Service area is defined as all points along and to west of Bay Boulevard from Turri Road on the north to Los Osos Valley Road on the south, plus all points along and within one mile of Los Osos Valley Road or Pecho Valley Road from the intersection of Pecho Valley Road and Rodman Drive on the west, to the intersection of Los Osos Valley Road and Clark Valley Road on the east.

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SECTION 2. ROUTE DESCRIPTIONS (Continued)

Route 8 - San Luis Obispo Airport---Avila Beach & Port San Luis

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to U.S. Highway 101, thence south on U.S. Highway 101 to Avila Road, thence west via Avila Road to the Avila Beach & Port San Luis service area. The Avila Beach & Port San Luis service area is defined as all points along and within one-half mile on either side of Avila Road or Harford Road from U.S. Highway 101 on the east to Port San Luis on the west.

Route 9 - San Luis Obispo Airport---Pismo Beach

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to either U.S. Highway 101 or Price Canyon Road, thence south on U.S. Highway 101 or Price Canyon Road to the City of Pismo Beach.

Route 10 - San Luis Obispo Airport---Grover City

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to either U.S. Highway 101 or Price Canyon Road, thence south on U.S. Highway 101 or Price Canyon Road, and appropriate streets and roads to the City of Grover City.

Route 11 - San Luis Obispo Airport---Arroyo Grande

Commencing at the San Luis Obispo Airport, thence via appropriate streets and roads to either U.S. Highway 101, Price Canyon Road, or State Highway 227, thence south via U.S. Highway 101, Price Canyon Road, or State Highway 227 and via appropriate streets and roads to the City of Arroyo Grande.

(END OF APPENDIX)

Issued by California Public Utilities Commission.

Decision No. 92282, Application No. 59852.