

ORIGINAL

Decision No. 92324 OCT 22 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ZION INTERNATIONAL (U.S.A.) CO., LTD., a corporation, for a certificate of public convenience and necessity to operate passenger stage sightseeing tour service between points in the City and County of San Francisco on the one hand, and points in San Luis Obispo County, Santa Barbara County, Los Angeles County and San Diego County on the other hand.

Application No. 59421  
(Filed February 4, 1980)

John E. deBrauwere, Attorney at Law, for applicant.  
R. D. Rierson, Attorney at Law, for California Parlor Car Tours, interested party.

O P I N I O N

By this application, as amended at the hearing, Zion International (U.S.A.) Co., Ltd. (Zion), a corporation, seeks a certificate of public convenience and necessity to operate a passenger stage corporation sightseeing tour service over a regular route from San Francisco to San Diego, including pickup of passengers arriving by air at the San Francisco International Airport (SFO) and various stops and attractions, and terminating at the Los Angeles International Airport (LAX). The proposed tour would be advertised and narrated in the Chinese language only. The authority originally requested in the application was for two separate tours, one from San Francisco to Los Angeles, and the second from Los Angeles to San Diego with return to LAX. At the present time Zion holds no operating authority from the Commission.

Public hearing was held before Administrative Law Judge Arthur M. Mooney in Los Angeles on July 16, 1980, on which date the matter was submitted.

The only protestant at the hearing was California Parlor Car Tours (CPCT). Its attorney pointed out that his client operates a sightseeing service between San Francisco and Los Angeles and that its protest was limited to the proposed San Francisco to Los Angeles tour. With the amendments at the hearing that (1) applicant would operate only the single San Francisco to San Diego to LAX tour, and (2) the tour would be narrated in Chinese dialects only, CPCT withdrew its protest and changed its appearance to that of an interested party.

The proposed tour is as follows: (1) Passengers arriving by air at SFO would be picked up with their baggage by Zion's bus and taken to a downtown San Francisco hotel, and that evening the tour group would be taken in the bus to Chinatown for dinner and returned to the hotel; (2) on the second day, the group would be taken on a full-day guided tour of San Francisco, including a cruise on San Francisco Bay; (3) on the third day, they would be taken to Hearst Castle via U. S. Highway 101 and State Highway 1 and stay overnight in San Simeon; (4) the following morning, the passengers would be taken via the same highways to a hotel in Los Angeles, with a brief stop en route at the Danish Village at Solvang; (5) on the fifth and sixth days, the group would remain at the Los Angeles hotel where they would be free to see various local attractions not included in the tour; (6) they would again be picked up on the seventh day and taken via Interstate Highway 5 to a San Diego hotel and a tour of Sea World, and in the evening, an optional evening tour of Tijuana via Mexicoach would be available; and (7) on the eighth and final day the tour would proceed to either San Diego Zoo or Wild Animal Park, whichever would be considered appropriate, and from there via Interstate Highway 5 to LAX where the tour would terminate. The price of

the tour would include all lodging and meals and also all transportation and attractions, except for optional sightseeing during the two free days in Los Angeles and the Tijuana tour. Based on costs at the time of the hearing, the price that Zion anticipates charging for the tour is \$466 per person.

Following is a summary of the evidence presented by the president and the vice president of Zion: (1) Zion International, a separate company with the same officers as Zion, has been in the travel agency and import-export businesses for a number of years, and its principal place of business is in Taiwan; (2) Zion International's travel business includes selling airline tickets and also tours from Taiwan to the U.S.A., Europe, and South America; (3) Zion has been in business since 1973, its principal place of business is in Los Angeles, and it sells airline tickets to the Orient and makes arrangements and reservations for hotels and tourist attractions; (4) for the past several years, Zion has operated the sightseeing service in issue as two separate tours, one from San Francisco to Los Angeles, and the other from Los Angeles to San Diego; (5) the reason for breaking the service into two parts was to accommodate the individual who, for business or other personal reasons, had only sufficient time to take the first part of the tour to Los Angeles; (6) it has been Zion's experience that only a very few clients, five or six at most since the beginning of this year, terminate their tour in Los Angeles; (7) it was not until recently that Zion became aware that it was necessary to have authority from the Commission to provide this service, and upon becoming aware of this, it immediately filed the instant application; (8) all tour guides are fluent in the Cantonese, Mandarin, and Taiwanese Chinese dialects and their narration would be in these dialects only; (9) all advertising would be in the Chinese language and would be mainly in Taiwan with some in local Chinese language newspapers; (10) as the application is now amended, Zion would sell a single-package tour from San Francisco to

San Diego to LAX, and it would set up a refund schedule for those few passengers who, for some significant reason, must leave the tour before its completion; (11) the tour would be operated approximately every two weeks, with more frequent service in the summer than in the winter; (12) Zion charters its equipment from a Class A charter-party carrier of passengers in Los Angeles and deadheads the equipment to San Francisco. Although it would continue this procedure for the present, it is considering purchasing or leasing its own equipment which it feels would be more desirable since it would then have its own drivers; (13) a minimum number of 20 persons would be required for performance of the tour with standard bus equipment, and Zion would have the option, at its discretion, of accommodating smaller groups in van-type vehicles; (14) Zion has the financial ability to render the proposed service; (15) no other carrier offers a similar sightseeing service between the same points designed and marketed exclusively for Chinese-speaking persons from the Far East; and (16) public convenience and necessity require the proposed service.

Following is a summary of the financial evidence presented by the two witnesses and by Zion's certified public accountant:

(1) the estimated profit from a tour with 25 and with 20 persons would be approximately \$1,100 and \$880, respectively; (2) as of March 31, 1980, Zion had assets of \$83,024, liabilities of \$8,952, and a net worth of \$74,072; (3) for the year 1979, it had net sales of \$1,615,390, which included \$526,265 from the tour, and its net income after taxes was \$10,791; and (4) for the first quarter of 1980, it had net sales of \$277,786, including \$77,816 from the tour, and a net income after provision for income taxes of \$10,181.

Findings of Fact

1. Zion proposes to conduct an 8-day, per capita sightseeing tour from San Francisco, with pickup of passengers arriving by air

at SFO, to San Diego, including various stops and attractions en route, and terminating at LAX. The tour would be sold primarily in Taiwan and it is designed and advertised for Chinese-speaking people only. The tour guide would be fluent in the Cantonese, Mandarin, and Taiwanese dialects, and all narrations would be in these dialects only. The tour would be offered year round with greater frequency during the summer season. A minimum number of 20 passengers would be required for performance of the tour with standard bus equipment; however, Zion would have the option of providing the service in van-type vehicles for smaller groups.

2. Zion does not hold any operating authority from the Commission.

3. Zion has been operating the proposed service described in Finding 1 with chartered equipment for the past several years, and upon becoming aware that a certificate was necessary to operate this service, it filed the instant application.

4. No other carrier performs a sightseeing service similar to that described in Finding 1.

5. Zion will initially use chartered standard bus equipment from a bona fide licensed bus company located in the Los Angeles area, and is considering either purchasing or leasing its own equipment. The chartered equipment is deadheaded from Los Angeles to San Francisco.

6. Zion's proposal to reserve the right to either cancel a tour or use van-type equipment if there are less than 20 reservations is reasonable.

7. Zion is ready, willing, and able to provide the service it proposes.

8. Zion has demonstrated that public convenience and necessity require the proposed service.

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

Conclusions of Law

1. Zion should be granted a certificate of public convenience and necessity to operate the proposed sightseeing service as provided in the order which follows.

2. Because there is an immediate need for the proposed authority and service, and because there is no opposition to the proposal, the order which follows should be made effective on the date it is signed.

Zion 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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Zion International (U.S.A.) Co., Ltd., a corporation, authorizing it to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code, to transfer passengers and their baggage only between the points and over the routes set forth in Appendix A of this decision.

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 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.

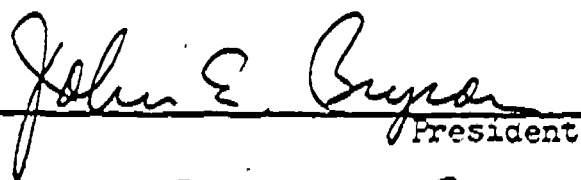
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and file tariffs and timetables, in triplicate, in the Commission's office.
- (c) The tariff and timetable filings shall be made effective not earlier than ten days after the 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,



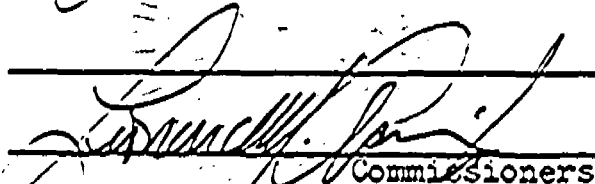
content, and number of copies as the Commission, from time to time, shall prescribe.

The effective date of this order is the date hereof.

Dated OCT 22 1980, at San Francisco, California.

  
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President

  
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Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

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

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC - 1134

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. 92324  
dated OCT 22 1980, of the Public Utilities Commission  
of the State of California, in Application No. 59421.

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

Zion International (U.S.A.) Co., Ltd., by the certificate of public convenience and necessity to operate as a passenger stage corporation granted by the decision noted in the margin, is authorized to transport passengers and their baggage on a sightseeing and touring service commencing either from the San Francisco International Airport or the City of San Francisco and to the various points named in Section 2 and subject to the following conditions:

- (a) The tour shall be narrated in Chinese or Taiwanese only.
- (b) Carrier reserves the right not to operate a tour in the event there is less than twenty (20) passengers. Carrier may at its discretion provide the service for a lesser number of passengers in van-type equipment.

Issued by California Public Utilities Commission.

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Appendix A ZION INTERNATIONAL (U.S.A.) CO., LTD.  
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SECTION 2. TOUR DESCRIPTION.

San Francisco - San Simeon - Solvang - Los Angeles - San Diego

First Day

Commencing from the San Francisco International Airport, traversing over the most appropriate streets and highways, thence to the hotels located in San Francisco and to Chinatown for dinner.

Second Day

A full-day tour of San Francisco including a Bay cruise.

Third Day

Depart from San Francisco southerly on Highways 1 and 101 and northerly on Highway 1 along the coast to San Simeon and to Hearst Castle. Overnight at hotel in San Simeon.

Fourth Day

Leave San Simeon southerly on Highways 1 and 101 with a visit at Solvang and to Los Angeles.

Fifth and Sixth Days

Free time for passengers in Los Angeles.

Seventh Day

Leave Los Angeles via Highway 5 to San Diego for a visit to Sea World and an overnight stay.

Eighth Day

Leave San Diego either for San Diego Zoo or Wild Animal Park and to Los Angeles International Airport via the most appropriate highways.

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