

Decision No. 92523 DEC 16 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GROSVENOR BUS LINES, INC. and GREYHOUND LINES, INC., under Section 854 of the California PUBLIC UTILITIES CODE to authorize GROSVENOR BUS LINES, INC. to control THE GRAY LINE, INC. by the purchase of all of its outstanding capital stock.

Application No. 39985
(Filed October 6, 1980)

O P I N I O N

Grosvenor Bus Lines, Inc., a California corporation ("Grosvenor Bus") requests authority under Section 854 of the Public Utilities Code to control The Gray Line, Inc., (Gray Line) through the purchase of all its outstanding stock from The Greyhound Lines, Inc. ("Greyhound").

By Decision 66165, as amended, Golden Gate Charter Car Service, Inc., (Golden Gate) was granted authority to operate as a passenger stage corporation for the purpose of conducting a sightseeing operation between San Francisco, Oakland and San Mateo County, on the one hand, and points and places in the Counties of San Francisco, San Mateo, Santa Clara, Sonoma and Napa and Hearst Castle, on the other hand (PSC-524). Subsequently, Golden Gate changed its name to The Gray Line, Inc. This is evidenced from its Certificate of Amendment of the Articles of Corporation filed and recorded with the Secretary of State on November 11, 1963, copy attached as Exhibit "F" in this application.

The Gray Line, Inc. also has been granted a Class A certificate of public convenience and necessity to operate as a charter-party carrier of passengers (TCP-26-A).

Grosvenor Properties, Ltd., (Grosvenor Properties), a California corporation entered into a Stock Purchase Agreement dated August 13, 1980 (Exhibit "I") with Greyhound and Gray Line to purchase all the issued and outstanding capital stock of Gray Line totalling 100 shares of common stock at \$10 par value. Greyhound owns all the shares of Gray Line.

The agreed total purchase price to control Gray Line is \$1,340,000. This money will ^{be} used to purchase \$1,200,000 of Gray Line stock and \$140,000 will be used as payment to settle, release and discharge a lawsuit for alleged breach of contract filed by Alan and Allan Corporation and others against Gray Line and its parent companies. (Exhibit "I")

Subsequently, Grosvenor Properties and Grosvenor Bus executed an Assignment and Assumption Agreement dated August 21, 1980 (Exhibit "J") whereby Grosvenor Properties, for one dollar (\$1), sold, assigned, and transferred all of its right, title and interest in the above Stock Purchase Agreement to Grosvenor Bus.

Grosvenor Bus is authorized to issue 1,000,000 shares at one dollar (\$1) par value. It will issue 500,000 shares at par value to 15 shareholders listed in Exhibit "C" of the application. These 15 shareholders also pledged to loan the company \$1,000,000. Donald E. Werby and Robert K. Werbe will be the principal shareholders, each to own 15.3% of the shares outstanding.

Grosvenor Bus believes that the tourist industry in San Francisco will continue to grow. Under local management and control it expects to preserve and enhance the financial strength of Gray Line. *KA*

Greyhound, on the other hand, finds it to their interest to sell Gray Line. The money will be used as working capital to meet the increased demands for motor coaches which it manufactures and for transportation service which it provides.

For calendar year 1981, the projected income statement of Gray Line shows a net income after income taxes of \$144,000 derived from a gross revenue of \$6,000,000 and total expense of \$5,668,000. In fiscal year 1979, Gray Line grossed \$5,669,000 with expenditures totalling \$5,004,000 and a net income after taxes of \$307,000.

Copies of this application were served on Golden Gate Sightseeing Tours, Inc., O'Connor Limousine Service, Dolphin Tours, San Francisco Bay Tours, Agentours, Inc., Express Tours and Travel Fantasies. The application was listed on the Commission's Daily Calendar of October 7, 1980. O'Connor Limousine Service, by letter dated October 20, 1980 stated that it "seeks to participate as an interested party at the hearing of Application 59985". No protest or request for hearing has been received. A public hearing is not necessary.

Finding of Facts

1. Golden Gate Charter Car Service, Inc., doing business as The Gray Line, Inc., has authority to operate as a passenger stage corporation for sightseeing purposes between points in the Bay Area and other points including Hearst Castle.

2. Golden Gate Charter Car Service, Inc., has changed its name to The Gray Line, Inc.

3. The Gray Line, Inc., (Gray Line) also has authority to operate as a Class A Charter-party carrier of passengers.

4. Greyhound Lines, Inc. (Greyhound) owns all the issued and outstanding stock of Gray Line.

5. Grosvenor Bus Lines Inc, (Grosvenor Bus) will purchase all of the issued and outstanding stock of Gray Line from Greyhound for \$1,200,000 and to pay an additional \$140,000 for certain claims against the sellers.

6. The acquisition of the issued and outstanding stock of Gray Line by Grosvenor Bus pursuant to the Stock Purchase Agreement attached to the application would not be adverse to the public interest.

7. The Stock Purchase Agreement would encumber property necessary or useful in the performance of Gray Line's duties to the public. The encumbrance of the assets would not be adverse to the public interest.

Conclusions of Law

1. The application should be granted upon the conditions set forth in the order which follows.
2. A public hearing is not necessary.
3. Since no protest has been received and there is no reason to delay granting the authority requested, the effective date of this decision shall be the date it is signed.
4. For convenience, the certificate of public convenience and necessity issued to Golden Gate Charter Car Service, Inc., shall be revoked and a new certificate shall be reissued restating the operating authority in the name of The Gray Line, Inc.

The authorization granted herein is for the purpose of this proceeding only and is not to be construed as a finding of the value of the assets or capital stock of Gray Line.

O R D E R

IT IS ORDERED THAT:

1. The name of Golden Gate Charter Car Service, Inc., on the certificate issued in Decision Nos. 66165, 78157, 72414, 72814, 74733, 79233, 84371 and 85513 is changed by substituting the name of The Gray Line, Inc.
2. Grosvenor Bus Lines, Inc., a California corporation, may acquire all of the issued and outstanding capital stock from Greyhound Lines, Inc., and may control The Gray Line, Inc., in accordance with the terms and conditions contained in the Stock Purchase Agreement attached to the application. ka
3. A certificate of public convenience and necessity is granted to The Gray Line, Inc., a California corporation, authorizing it to operate as a passenger stage corporation, as defined in Section 226 of

the Public Utilities Code, between the points and places and over the routes set forth in Appendix A, attached hereto and made a part hereof effective concurrently with the effective date of this order.

4. The certificate of public convenience and necessity granted to Golden Gate Charter Car Service, Inc., by Decision Nos. 66165, 72157, 72412, 72614, 74738, 79273, 84371 and 85513 is revoked effective concurrently with the effective date of this order.

5. Within 90 days after the effective date hereof, Grosvenor Bus Lines, Inc., shall notify the Commission, in writing, of the date upon which the transfer of control was consummated.

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~~The~~ The effective date ^{of this order} is the date hereof.

Dated DEC 16 1980, at San Francisco, California.

John E. Boyer
President

Richard D. Howell

Clair J. DeBrie

Commissioners

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

Commissioner Leonard M. Grimes, Jr., being necessarily absent, did not participate.

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION

PSC-524

Showing passenger stage operative rights, restrictions, limitations, exceptions, and privileges applicable thereto.

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.

Issued under authority of Decision No. 92523,
dated DEC 16 1980, ~~1981~~, of the Public Utilities
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SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS.

The certificate hereinafter noted supersedes all operative authority heretofore granted to Golden Gate Charter Car Service, Inc., doing business as The Gray Line, Inc., or its predecessors.

The Gray Line, Inc., 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 sight-seeing passengers between the points and over the routes hereinafter described subject to the following conditions and restrictions:

1. Round-Trip Transportation
Unless otherwise specifically provided herein, all transportation authorized in this section may be rendered in round-trip service only.
2. Points of Receipt and Discharge
 - a. Transportation authorized to commence and end at the carrier's terminal includes the right to pick up and discharge passengers at hotels, motels, convention halls, common carrier terminals, and other places of public gathering within the city in which such terminal is located and in San Mateo County.
 - b. The carrier is not authorized to originate or discharge passengers for Tour 15 within the following described area in San Mateo County: Commencing at the intersection of the easterly prolongation of Grand Avenue (South San Francisco) with the San Francisco Bay; thence along said prolongation, Grand Avenue, Chestnut Avenue, El Camino Real, Ralston Avenue (Belmont) and the easterly prolongation of Ralston Avenue to the San Francisco Bay, including points westerly of and within one mile of El Camino Real.
 - c. Carrier is authorized for Tour 5 to receive and discharge passengers at Oakland subject to tariff regulations.

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SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS,
AND SPECIFICATIONS. (continued)3. Routes of Operation

In all instances where the highway over which operations are authorized to be conducted is not specified, the authorized tours shall be conducted to, from, and within the points, places and areas authorized to be visited over the most practical and appropriate routes.

4. Baggage Limitations

Baggage is not authorized to be transported except in connection with tours on which an overnight stop is made.

5. Minimum number of passengers

The carrier is authorized to prescribe by lawful tariffs that operation of the tours named herein will not be conducted for less than six passengers except for the following:

- a. Tours 19, 20 and 21 are subject to a minimum requirement of 12 passengers.
- b. Tour 15 is subject to a minimum requirement of 15 passengers.
- c. Tour 14 may also include Marine World in Redwood City subject to a minimum of 15 passengers.

6. Days of operation

Unless otherwise prescribed in connection with an authorized tour, operations may be conducted daily subject to above Condition 5 and the following:

- a. Authority is granted to conduct Tour 14 on a twice-a-week basis.
- b. Authority is granted to conduct Tours 1, 5, 6, 7, 8, 9, 12, 17, 18, 19, 21, 51, 52, 53, 71 and 72 on three times a week.
- c. Authority is granted to conduct Tour 13 on three times a week, between April 1 and October 31 (Mondays, Wednesdays, and Saturdays) of each year.

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SECTION II. TOUR DESCRIPTIONS

Tour No. San Francisco - Point of Origin

1 SEEING SAN FRANCISCO TOUR

Leave the carrier's San Francisco terminal, viewing Civic Center, Mission Dolores, Twin Peaks, St. Francis Woods, Golden Gate Park, Cliff House, Lincoln Park, Sea Cliff, Presidio, Marina, and return to the carrier's San Francisco terminal.

2 SEEING SAN FRANCISCO TOUR, INCLUDING VIEW OF DOWNTOWN SKYLINE

Leave the carrier's San Francisco terminal, viewing San Francisco-Oakland Bay Bridge, Yerba Buena Island, Treasure Island, Civic Center, Mission Dolores, Twin Peaks, St. Francis Woods, Golden Gate Park, Cliff House, Lincoln Park, Seacliff, Presidio, Golden Gate Bridge, Marina and return to the carrier's San Francisco terminal.

3 GOLDEN GATE PARK-PRESIDIO TOUR

Leave the carrier's San Francisco terminal, to Civic Center, through Golden Gate Park, Cliff House, Presidio, Marina, and return to the carrier's San Francisco terminal.

4 CHINATOWN TOUR

Leave carrier's San Francisco terminal, visiting Chinatown and viewing Financial District, Telegraph Hill, Fisherman's Wharf, and return to carrier's San Francisco terminal.

5 OAKLAND-BERKELEY UNIVERSITY OF CALIFORNIA TOUR

Leave the carrier's San Francisco terminal, thence over San Francisco-Oakland Bay Bridge, viewing downtown Oakland, Lake Merritt, Lakeside Park, Piedmont, Berkeley, University of California Campus, and return to the carrier's San Francisco terminal via San Francisco-Oakland Bay Bridge.

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SECTION II. TOUR DESCRIPTIONS (continued)

Tour No. San Francisco - Point of Origin (continued)

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SAN FRANCISCO¹⁰⁰-OAKLAND BAY BRIDGE-LAKE MERRITT TOUR

Leave the carrier's San Francisco terminal, over the San Francisco-Oakland Bay Bridge to Oakland, thence around Lake Merritt and return via San Francisco-Oakland Bay Bridge to the carrier's San Francisco terminal.

7

THREE-BRIDGE TOUR

Leave the carrier's San Francisco terminal, over the San Francisco-Oakland Bay Bridge to Berkeley, viewing the University of California Campus, thence over Richmond-San Rafael Bridge, viewing San Quentin Prison, thence over Golden Gate Bridge to San Francisco and return to the carrier's San Francisco terminal.

8

OAKLAND-BERKELEY-MUIR WOODS TOUR

Leave the carrier's San Francisco terminal, thence over San Francisco-Oakland Bay Bridge, viewing downtown Oakland, Lake Merritt, Lakeside Park, Piedmont, Berkeley, University of California Campus, thence via Richmond-San Rafael Bridge, past San Quentin Prison, thence through Tamalpais Valley to Muir Woods, returning via Sausalito over the Golden Gate Bridge to the carrier's San Francisco terminal.

9

SAN FRANCISCO-GOLDEN GATE BRIDGE-SAUSALITO TOUR

Leave the carrier's San Francisco terminal, over Golden Gate Bridge, via Waldo Tunnel to Sausalito, thence return over Golden Gate Bridge to the carrier's San Francisco terminal.

10

MUIR WOODS-GIANT REDWOODS-GOLDEN GATE BRIDGE TOUR

Leave the carrier's San Francisco terminal, over Golden Gate Bridge, through Tamalpais Valley, visiting Muir Woods, returning via Sausalito and the Golden Gate Bridge to the carrier's San Francisco terminal.

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SECTION II. TOUR DESCRIPTIONS (continued)

Tour No. San Francisco - Point of Origin (continued)11 MT. TAMALPAIS-MUIR WOODS TOUR

Leave the carrier's San Francisco terminal, over Golden Gate Bridge, visiting Muir Woods, thence to Summit of Mt. Tamalpais, returning via San Anselmo and the Golden Gate Bridge to the carrier's San Francisco terminal.

12 MT. TAMALPAIS-MUIR WOODS TOUR

Leave the carrier's San Francisco terminal, thence over Golden Gate Bridge, through Tamalpais Valley to Muir Woods, thence to Summit of Mt. Tamalpais, returning over direct route to Sausalito, thence over Golden Gate Bridge to carrier's San Francisco terminal.

13 CALIFORNIA WINE COUNTRY AND VALLEY OF THE MOON TOUR

Leave the carrier's San Francisco terminal, over the San Francisco-Oakland Bay Bridge to Vallejo, viewing the Mare Island Navy Yard, thence through Sonoma, Napa, St. Helena, visiting a winery in the St. Helena area, Calistoga, Petrified Forest, Santa Rosa, Petaluma, San Rafael, returning over the Golden Gate Bridge, thence through the Marina to the carrier's San Francisco terminal.

14 STANFORD UNIVERSITY-SUBURBAN RESIDENCES TOUR

Leave carrier's San Francisco terminal, passing the San Francisco International Airport, thence viewing Millbrae, Hillsborough, Crystal Springs Lakes, Woodside, Menlo Park, Stanford University Campus, visiting Lane Publishing Company's Plant at Menlo Park, thence return to the carrier's San Francisco terminal.

15 SAN FRANCISCO-MARINE WORLD-SAN MATEO COUNTY TOUR

Leave the carrier's San Francisco terminal passing the San Francisco International Airport, visiting Marine World in Redwood City, thence return via sightseeing route through the San Mateo County, or via Skyline Boulevard, or where schedule requires directly via U.S. 101 (Bayshore Freeway).

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SECTION II. TOUR DESCRIPTIONS (continued)

Tour No. San Francisco - Point of Origin (continued)16 SANTA CRUZ-HENRY COWELL MEMORIAL STATE PARK TOUR

Leave carrier's San Francisco terminal, thence via Sunnyvale and Los Gatos to Santa Cruz, viewing Santa Cruz, thence to Felton and the Henry Cowell Memorial State Park, thence via Mt. Hermon, Ben Lomond, Brookdale, Boulder Creek, Saratoga, Cupertino, Los Altos, Palo Alto, visiting Stanford University Campus, thence to the carrier's San Francisco terminal.

17 MONTEREY-CARMEL 17-MILE DRIVE TOUR

Leave the carrier's San Francisco terminal, viewing San Francisco International Airport and passing the Peninsula cities of San Mateo, Redwood City, Palo Alto, and Sunnyvale, thence through Los Gatos, Santa Cruz, Castroville, and Monterey, and over the 17-Mile Drive via Pacific Grove to Carmel, thence via Gilroy and San Jose to carrier's San Francisco terminal.

Tour may be operated (between Los Gatos and Santa Cruz) via Mt. Hermon and Henry Cowell Memorial State Park as an alternate route.

18 49-MILE DRIVE TOUR

Leave the carrier's San Francisco terminal, viewing Chinatown, Telegraph Hill, Fisherman's Wharf, Marina, Presidio, Lincoln Park, Palace of Legion of Honor, Cliff House, Golden Gate Park, Fleishhacker Pool, Lake Merced, St. Francis Woods, Twin Peaks, Mission Dolores, Civic Center, thence to the carrier's San Francisco terminal.

19 MOTHERLODE TOUR

Leave the carrier's San Francisco terminal via San Francisco-Oakland Bay Bridge to Sacramento, thence through Michigan Bar, Sutter Creek, Jackson, Volcano, Angels Camp, Calaveras Big Trees, via Murphy's and Moaning Caves, thence to Jamestown and Sonora by Sawmill Flat, Columbia and Shaw's Flat, returning via Oakdale, Manteca, and the San Francisco-Oakland Bay Bridge, to carrier's San Francisco terminal, with overnight stop en route.

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SECTION II. TOUR DESCRIPTIONS (continued)

Tour No. San Francisco - Point of Origin (continued)

20

GOLD COUNTRY TOUR

Leave the carrier's San Francisco terminal over San Francisco-Oakland Bay Bridge to Walnut Creek, Concord, Antioch, Rio Vista, Jackson, Mokelumne Hill, San Andreas, and Angels Camp to Columbia, returning via Sonora, Jamestown, Oakdale, Tracy and the San Francisco-Oakland Bay Bridge to carrier's San Francisco terminal.

21

SAN FRANCISCO-HEARST RANCH AND CASTLE TOUR

Leave the carrier's San Francisco terminal, thence over By-Pass U.S. Highway 101 to junction of California Highway 17, thence over California Highway 17 to Santa Cruz, thence over California Highway 1 to San Simeon, thence return to San Francisco via Morro Bay and over U.S. Highway 466 to Atascadero, thence over U.S. Highway 101 and By-Pass U.S. Highway 101 to the carrier's San Francisco terminal, with overnight stop en route.

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SECTION II. TOUR DESCRIPTIONS (continued)

Tour No. Oakland - Point of Origin

51 SEEING SAN FRANCISCO TOUR (Start at Oakland)

Leave the carrier's Oakland terminal, over the Oakland-San Francisco Bay Bridge to San Francisco, thence viewing Civic Center, Mission Dolores, Twin Peaks, St. Francis Woods, Golden Gate Park, Cliff House, Lincoln Park, Sea Cliff, Presidio, Marina and thence over the San Francisco-Oakland Bay Bridge to the carrier's Oakland terminal.

52 CHINATOWN TOUR (Start at Oakland)

Leave the carrier's Oakland terminal, thence over the San Francisco-Oakland Bay Bridge to San Francisco, visiting Chinatown and viewing Financial District, Telegraph Hill, Fisherman's Wharf, and return over the San Francisco-Oakland Bay Bridge to the carrier's Oakland terminal.

53 OAKLAND-BAY BRIDGE-SAN FRANCISCO-GOLDEN GATE PARK-PRESIDIO TOUR

Leave the carrier's Oakland terminal, thence over San Francisco-Oakland Bay Bridge to San Francisco, thence viewing Civic Center, Golden Gate Park, Cliff House, Presidio, Marina, and return to carrier's Oakland terminal.

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Daly City - Point of Origin

71

SEEING SAN FRANCISCO TOUR (Start at Daly City)

Leave Daly City, over city streets to San Francisco, thence viewing Civic Center, Mission Dolores, Twin Peaks, St. Francis Woods, Golden Gate Park, Cliff House, Lincoln Park, Sea Cliff, Presidio, Marina, and return to Daly City.

72

CHINATOWN TOUR (Start at Daly City)

Leave Daly City, over city streets^S to San Francisco, thence visiting Chinatown and viewing Financial District, Telegraph Hill, Fisherman's Wharf, and return to Daly City.

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SECTION III. SPECIAL EVENTS

A. GENERAL CONDITIONS

The Gray Line, Inc. is authorized to transport passengers in both directions between the termini and over the routes hereinafter designated in this Section III, subject to the following conditions and restrictions herein imposed:

1. Unless otherwise specifically provided herein, all transportation authorized in this section shall be round-trip, non-narrated tours.
2. Transportation authorized to commence and end at the carrier's terminal and other points in the City and County of San Francisco.
3. No passengers shall be transported to or from intermediate points.

B. ROUTE DESCRIPTION

Route No.

1

Between San Francisco and Marriott's "Great America" RH

Commencing from the City and County of San Francisco, thence over and along the most convenient and appropriate streets and highways to Marriott's "Great America" located in Santa Clara, Santa Clara County.

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