

Decision No. 92767 MAR 3 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GREAT AMERICAN STAGELINE, INC., a)
corporation, for certificate of public)
convenience and necessity to operate)
intercity passenger and baggage service)
between Ventura, Oxnard, Camarillo,)
Thousand Oaks, Westlake Village, and)
Woodland Hills in conjunction with its)
airport bus service between the above-)
mentioned cities and Los Angeles)
International Airport.)

Application No. 59726
(Filed June 9, 1980)

John E. deBrauwere, Attorney at Law, for Great
American Stageline, Inc., applicant.
R. D. Rierson, Attorney at Law (Illinois), for
Greyhound Lines, Inc., protestant.
James P. Jones, for United Transportation Union,
and K. D. Walpert, for Department of
Transportation, City of Los Angeles, interested
parties.

O P I N I O N

Great American Stageline, Inc. (Great American) provides access service to the Los Angeles International Airport (LAX) from Ventura, Oxnard, Camarillo, Thousand Oaks, Westlake Village, and Woodland Hills pursuant to PSC-962, authorized by Decision No. 85784. It also holds Class A charter authority, TCP-219-A. In Decision No. 92134 it was allowed to extend its airport service to Santa Barbara.

Great American is not authorized to provide intercity service along its airport route, and, in this application, it seeks such an adjunct certificate of public convenience and necessity.

After due notice, the matter was heard before Administrative Law Judge Orville I. Wright in Los Angeles on September 11 and 12, 1980, and submitted upon the receipt of late-filed exhibits on October 27, 1980.

Testimony was received on behalf of Great American from James Hebert, its president; Reginald Charlson, its vice president; Richard Gale and J. C. Reed, bus drivers; and Roland Woisard, Janice Grimes, and Stephen Grimes, public witnesses. Greyhound Lines, Inc. (Greyhound) protested the application, and its evidence was presented by its district manager, Robert O. Burlingame.

At the hearing, Great American sought to expand the scope of its application to include the city of Santa Barbara. Greyhound objected to such broadening of the issues as being without sufficient notice to enable it to prepare its showing. Evidence with respect to Santa Barbara was received pending a ruling upon the objection. Because it is evident that further hearings will be required if this issue is to be resolved in this proceeding, the objection of Greyhound is sustained without prejudice to Great American to seek Santa Barbara authority at a later time.

The evidence presented shows that Great American has the fitness and ability to provide the service for which certification is sought. It operates four MC-9 buses acquired in 1980, offers 16 daily trips to or from LAX and Ventura and intermediate points, and submits a July 31, 1980 balance sheet showing assets at \$259,895, liabilities at \$11,164, and shareholders' equity of \$248,731, including \$78,183 in retained earnings. Whether there is a need for the proposed service and whether Greyhound will not provide such service to the satisfaction of the Commission are the issues to be addressed.

Great American's LAX service is keyed to airline arrivals and departures. It presently offers 16 trips per day and intends to increase frequency to 22 trips per day. Its scheduled stops are made at visually prominent restaurant locations along the Ventura freeway which are located from three-quarters of a mile to two miles from the Greyhound terminal in each community. Its service is more frequent than that of Greyhound, and Greyhound sees insufficient public demand to increase its own number of vehicles in that service.

Two of Great American's drivers testified that in the last several years, and particularly in the last several months, there have been frequent occasions when potential passengers inquire at the restaurant stops if they may ride from one community to another along the LAX line. Such requests, according to one driver, have climbed to 10 or 12 per week. These potential patrons were first refused service, but lately have been permitted to ride upon payment of the full fare as if they were going all the way to or from the airport. This last arrangement is said to have the concurrence of Commission staff personnel as the lesser of two evils--full fare irrespective of the length of travel or refusal of service altogether.

We think a public need for the proposed service is demonstrated by this customer history. It is evident that Great American's airport service will offer no real competition to Greyhound as to the relatively few intercity travelers along its route. It is clear on the record that these intercity riders are not frequent users, but merely occasional passengers desiring to travel one way only. Accordingly, Great American does not propose

to advertise intercity service. Its desire is to simply accommodate those occasional passengers who have observed the service and wish to be transported in the vicinity.

This modest public demand would not perhaps justify an entirely new service. Nor might it justify a service expansion by Greyhound in the area. It nonetheless demonstrates that a small segment of the traveling public will be newly served if Great American's Ventura-LAX service is complemented by authority to transport intercity passengers.

Greyhound alleges that it stands ready, willing, and able to provide the service which Great American seeks by this application. We think that this allegation is not entirely true. More accurately stated, Greyhound stands ready, willing, and able to continue its existing comparable intercity service which varies from that proposed by Great American in terminal location, frequency and times of service, and price. Greyhound's expert would not testify that there has been a diminution of its intercity traffic by reason of Great American's recent practice of carrying the occasional rider at full fare. On the entire record, we think it fair to conclude that the traffic potential sought to be accommodated by Great American represents an inelastic demand portion of volume which will not be served by Greyhound's present or proposed service.

Findings of Fact

1. Great American possesses the ability, experience and financial resources to perform the proposed service.
2. There is a public demand for Great American's proposed service.
3. The availability of alternative intercity bus service between Ventura and Woodland Hills which Great American will provide will not diminish Greyhound patronage.

4. Greyhound will not provide service to the satisfaction of the Commission.

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

Conclusion of Law

The application should be granted as set forth in the ensuing order.

Great American 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 issued to Great American Stageline, Inc. and numbered PSC-962 is amended by incorporation therein of Third Revised Page 2 and Second Revised Page 3, attached, canceling Second Revised Page 2 and First Revised Page 3 therein.

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 shall be thirty days after the date hereof.

Dated MAR 3 1981, at San Francisco, California.

John E. Gray
President
Richard D. [unclear]
Leonard M. [unclear]
Walter [unclear]
Commissioners

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

The certificate hereinafter noted supersedes all operative authority heretofore granted to Air Crew Transit, Inc., a corporation, or its predecessors.

Great American Stageline, Inc., by the Certificate of Public Convenience and Necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to transport passengers, baggage and express except as noted in Subparagraph (f) and (g),* between Ventura, Oxnard, Camarillo, Thousand Oaks, Woodland Hills, the Westlake Community, Santa Barbara, and Los Angeles International Airport main passenger terminal and hangar line area, over and along the routes hereinafter described, subject, however, to the authority of this Commission to change or modify said routes at any time and subject to the following provisions:

- (a) Motor vehicles may be turned at termini and intermediate points in either direction, at intersections of streets or by operating around a block contiguous to such intersections, in accordance with local traffic regulations.
- (b) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (c) Regular route service shall be conducted daily.

Issued by California Public Utilities Commission.

*Added by Decision No. 92767, Application No. 59726.

SECTION 1. GENERAL AUTHORIZATIONS RESTRICTIONS, LIMITATIONS
AND SPECIFICATIONS. (Continued)

- (d) Service over Route 1 and Route 7 may be provided on an "on call" basis.
- (e) The term "on call" as used herein refers to service which is authorized to be rendered dependent upon the demands of passengers. Tariffs and timetables shall show the condition under which each authorized "on-call" service will be rendered.
- (f) The transportation of baggage and express shall be on passenger-carrying vehicles and shall be incidental to the transportation of passengers and limited to a weight of not more than one hundred (100) pounds per shipment. No express shipments shall be transported from or to Ventura, Camarillo, Woodland Hills, or Santa Barbara.
- * (g) Intercity transportation may be furnished on all routes except that no transportation may be furnished on Route 7 between Santa Barbara, on the one hand, and Ventura, Oxnard, Camarillo, Thousand Oaks, Westlake, or Woodland Hills, on the other hand.

Issued by California Public Utilities Commission.

* Added by Decision No. 92767, Application No. 59726.