

Decision No. 92951

APR 21 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of W.T.M. Enterprises, Inc. for a certificate of public convenience and necessity to operate as a passenger stage corporation.

Application No. 59240
(Filed October 25, 1979)

In the Matter of the Application of Mr. Val J. Newton dba Regal Airport Express for certificate of public convenience and necessity to operate passenger stage service between Orange County and Los Angeles International Airport, Ontario Airport, Orange County Airport and Long Beach Airport.

Application No. 59329
(Filed December 12, 1979)

Garfield, Tepper & Ashworth, by Christopher Ashworth, Attorney at Law, for W.T.M. Enterprises, Inc., applicant in A.59240.

E. Ronald Kropacek, Attorney at Law, and John Crawford, for Val J. Newton, applicant in A.59329.

Bewley, Lassleben, Miller & Satin, by Edward M. Miller, Attorney at Law for 24-Hour Airport Express;

John E. deBrauwere, Attorney at Law, for Luxe Livery Service; and James H. Lyons, Attorney at Law, for Airport Service, Inc., protestants.

K. D. Walpert, for Department of Transportation of the City of Los Angeles; and James P. Jones, for United Transportation Union, interested parties.
William Austin, for the Commission staff.

O P I N I O N

W.T.M. Enterprises, Inc. (WIM) seeks a certificate of public convenience and necessity to operate as a passenger stage corporation in providing an on-call service with van-type vehicles

between points in Orange County and Eastern Los Angeles County, on the one hand, and the major airports in those counties (Los Angeles International (LAX), Ontario, Orange County Airport, and Long Beach Airport), on the other hand.

Val J. Newton, doing business as Regal Airport Express and Regal Airport Limousine Service, (Newton) seeks essentially the same operating authority as WDM.

Protestants, 24-Hour Airport Express, Inc. (24-Hour) and Luxe Livery Service, Inc. (Luxe), are authorized to provide an airport service with van-type equipment between the major airports and points in Orange County, pursuant to Decision No. 89074 dated July 11, 1978. That decision limits the number of vans operated in that service to 40 for 24-Hour and 15 for Luxe.

Fares proposed by WDM and Newton are on approximately the same level as the existing fares of 24-Hour and Luxe.

Airport Service, Inc. withdrew its protest after receiving a stipulation from both applicants that they would not (1) pick up passengers at an airport or off-airport bus stop of Airport Service, Inc. unless a one-half hour reservation is made, excepting advance reservations of passengers completing round trips, (2) spot vehicles at airports or at off-airport spots of Airport Service, Inc., and (3) appear at any off-airport pickup/delivery point of Airport Service, Inc. within 10 minutes of any scheduled stop of Airport Services, Inc.

The city of Los Angeles, appearing as an interested party, recommended that the applications should be denied because of the inexperience of applicants, their lack of ability to adequately finance their proposed operations, and because competition from applicants may adversely affect the financial ability of current operators to continue their present levels of service.

Public hearings were held on a consolidated record before an administrative law judge in Los Angeles on January 11

and March 24, 25, 27, and 28, 1980 and the matters were submitted upon receipt of letter arguments of counsel on May 31, 1980. Arguments were filed by WTM, 24-Hour, Luxe, and the city of Los Angeles.

WTM's Evidence

The evidence adduced on behalf of WTM was introduced by William Moran, WTM's president, and by four public witnesses: Renee Timberling, an employee of Holmes, Narver, Inc.; Robert Grotefend, a travel operations supervisor for Santa Fe International; Vanessa Geier, a divisional secretary of Yamaha, Inc., and Judy Hill, the executive travel coordinator for Smith Tool Company, a division of Smith International. WTM asks that we consider WTM and its president, Moran, as a single entity.

Moran testified that at the present time, WTM is performing no transportation subject to the jurisdiction of this Commission. Moran operates as a charter-party carrier under his own name, using limousines and vans having a seating capacity of less than 15 passengers. Moran intends to merge his charter-party operations with the proposed passenger stage corporation operations of WTM. Moran's charter-party operations involve the transportation of passengers between residences and businesses, on the one hand, and airports, on the other hand, on a reservation basis.

The majority of these operations are for corporate clients. Moran endeavors to dovetail his airport operations to avoid empty trips. Moran now multiple-loads, that is, he combines in one load passengers picked up at more than one location. Assertedly, this is to avoid service delays and to use his equipment in the most efficient manner. Although Moran plans to continue to multiple-load, he is willing to confine the number of pickups or dropoffs to avoid excessive time spent aboard a vehicle. Moran is willing to accept a two-party per trip restriction and a restriction on the use of more than 12 vans. Moran's past operations have been conducted at a loss. Moran claims that for the quarter ended March 15, 1980 his operations reached the breakeven point.

Renee Timberling, an administrative secretary for Holmes, Narver, Inc., located in Orange County, testified that her company has a need on a continuing basis for expeditious ground transportation to and from airports. She believes additional service is desirable because of asserted operational problems encountered by her with respect to existing airport bus services.

Robert Grotefend, a travel operations supervisor for Santa Fe International, located in Orange County, testified that existing carriers do not provide adequate service. Grotefend gave examples of the adequacy of the airport service provided by Moran.

Vanessa Geier, a divisional secretary employed by Yamaha International located in Buena Park, testified concerning service defects of taxi operators and other public airport transportation services. She also testified that protestants' service was unsatisfactory because of long waiting periods needed to reach them by telephone.

Judy Hill, an executive travel coordinator for Smith Division of Smith International, located in Orange County, testified concerning the continuing need for transportation of executives and

staff personnel to and from airports, and the need for additional limousine/van-type service.

It was the consensus of these public witnesses that existing carriers cannot effectively meet their needs for public airport transportation because they are already operating at or beyond their capacity. They support Moran's application.

Newton's Evidence

The only evidence in support of Regal Airport Express was presented by Newton, its owner. Newton testified that he owns Regal Limousine Service and Regal Airport Express. Newton now conducts operations as a charter-party carrier. He presently provides service between Orange County points and the regional airports. He estimated that 60 to 65 percent of his customers are corporate and the balance are residential. He testified concerning the need for multiloading, stating that he seldom has a fully occupied vehicle on return trips from the airports. Newton verbally amended his application by stating he desires to serve Orange County only and eliminating his request to serve points in Los Angeles County other than LAX.

Newton presented several exhibits designed to show the growth of population and business in Orange County, and the amount of air passenger traffic in and out of LAX.

Newton's Exhibit 26 is a statement of financial condition for himself and his wife as of November 1, 1979. The exhibit shows total assets of \$365,133, total liabilities of \$71,508, and a net worth of \$293,625. Included in the assets is Mrs. Newton's 25 percent interest in her father's business, Salvati Enterprises, of \$156,250. Exhibit 27 is an updated financial statement as of March 1, 1980. Exhibit 28 is a profit and loss statement of Regal Limousine Service (charter operation) for the year 1979, a pretax profit of \$34,262 on total sales of \$104,927.

Protestant's Evidence

Gerald R. Friesen, president of 24-Hour testified as to the brief history of 24-Hour indicating that since 1978 his operation had become more efficient in that while his vehicles travel the same number of miles they are carrying more people than even before. He testified that 24-Hour has progressed from an average of 1.5 persons per round trip several years ago to an average of 2.4 persons per round trip currently. Friesen testified that in his opinion, the more carriers competing for a given market, the less efficiently they can operate and that higher fares would be charged to offset the inefficiency. He stated that in his opinion, if the market were to be saturated with carriers all competing for the same fares, the volume carried per carrier would decrease and such decrease would result in a less efficient operation. The basis for 24-Hour's protest is that multicompetitors assertedly interfere with business efficiency which ultimately creates an adverse effect upon the public. Friesen testified that he was currently operating 40 vans of which he averages at least 5 out of service for repairs. Friesen stated that he would like his vehicle restriction removed by the Commission.^{1/}

Friesen analyzed Exhibit 6 which was a copy of Moran's daily logs for the months of November and December 1979. He asserted that for the periods covered in the exhibit, Moran multi-loaded about as much as he could have.

Paul Murdoch, general manager for Luxe, testified that he has held that position for 1-1/2 years and that he has been employed

^{1/} 24-Hour requested in Application No. 59614 and Luxe requested in Application No. 59545 that their vehicle restrictions be revised. Applications Nos. 59614 and 59545 are decided concurrently with these applications.

by Luxe since 1975. He testified that he spent 10 years in the hotel business as service manager for Del Webb Corporation and several hotels in Florida. He is responsible for all Luxe operations on a daily basis and that Luxe currently employs 75 persons, 15 of whom work part-time from 25-30 hours per week. Luxe currently operates 15 Ford vans, of which 4 or 5 have been taken from service pending replacement with new vehicles on order. Murdoch testified that often Luxe is not able to handle its demands for services with the 15 vehicles currently being operated and is required to supplement the fleet with limousines from a sister operation, which is economically unsatisfactory. Luxe has experienced growth by virtue of its aggressive marketing and has increased its operating efficiencies to the extent that it is traveling approximately 39 miles per call in 1979 as opposed to 50 miles per call in 1978. Murdoch testified that in terms of reservation per round trip, Luxe is averaging about 2.4 reservations which is similar to the experience of 24-Hour. Luxe has not changed its fares for nearly three years. Luxe is protesting the authorization of additional carriers because it fears the result would lessen the number of reservations per trip. Luxe's economies of scale would be unable to keep pace with rising costs and, to maintain the same earnings, fares would have to increase. Luxe is currently engaged in negotiations for additional service to governmental agencies and would support a lifting of its vehicle restriction.

Arguments of Protestants

The Commission has recently taken a different attitude toward the applicability of Public Utilities Code Section 1032, allowing essentially free access to competing service. In re American Buslines, Inc., Decision No. 91279; In re Mexcursions, Inc., Decision No. 90155; O'Connor Limousine Service, Inc.,

Decision No. 90154; In re Orange Coast Sightseeing Company, Decision No. 90936.) ✓

Protestants urged that a differentiation should be made between the cited decisions and the facts in this proceeding. They argue as follows: ✓

In the cited cases, there was only one protestant carrier which was rendering the service sought by the applicant. In two of these cases, the sought-for service was sightseeing which the Commission found to be "less involved with that essentiality to the public welfare which we usually hold inherent in the underlying concept of public convenience and necessity." (In re Mexcursions, supra (at mimeo page 19). In the present case, two existing carriers are operating from the same area (10-mile radius) and are performing an identical service. Both carriers are operating under a restriction on the number of vehicles they may operate which tends to curtail their economic growth. Two additional carriers are seeking the exact same authority and from the same 10-mile radius.

Protestants urge that the existing carriers' restrictions should be removed or similar constraints should be placed upon new entrants.

Protestants also argue that market conditions do not justify the entry of two new competitors. They believe that such new entry will result in a round of destructive competition which will result in higher costs and a degradation of service. With the approval of entry of two new carriers, the industry will enter a period in which marginal costs to all firms for a long period of time will fall below average total costs.

Protestants urge that applicants have not produced convincing evidence of the need for the additional airport services. They argue that Moran's four public witnesses were unfamiliar with his application, or they desire exclusive use of a vehicle, while Moran plans to multiload. Protestants state that Newton had no public witnesses, but relied upon data showing growth of businesses and population in Orange County, and increases in the number of persons using LAX.

Protestants also raise the issue of Newton's fitness to conduct the proposed services. According to protestants it is a fact that Newton intends to purchase vans painted in the distinctive color used by Luxe, and Newton has offered to refrain from the use of that color for his vans if Luxe will pay him \$5,000. Assertedly, the use of the standard dark green Ford color on Newton's van shows an intent to deceive the public, and thus indicates Newton's unfitness to engage in the proposed service.

Protestants also believe that Moran is financially unfit to perform the proposed service as he sustained an operating loss for the latest recorded period, (January and February 1980) of \$4,015, and that his net worth had declined to \$45,000. Protestants point out that Moran's vans have more than 200,000 miles on them and should be replaced in the near future. Assertedly, Moran does not have the capital to make such replacements.

Protestants also claim that close scrutiny of Newton's financial statement discloses that a large portion of Newton's net worth is his wife's share in her father's business, and that the assets of that business are not available to Newton for the purposes of the proposed airport bus service.

Protestants conclude that:

- (a) neither applicant has fulfilled its burden of proving public convenience and necessity;
- (b) both are undercapitalized;
- (c) Newton lacks moral fitness.

The city of Los Angeles, not a protestant, states its opposition to the granting of the application on the grounds that the areawide authority requested makes applicant's operations very similar to that of a taxicab, and that type of operation can be better regulated by local jurisdictions. If the authority is granted, however, the certificate should contain a restriction similar to that of 24-Hour and of Luxe which would prohibit pick-up of passengers at airports unless a reservation has been made at least one-half hour in advance.

Petitions to Set Aside Submission

On October 6, 1980, 24-Hour filed a petition to set aside submission and to reopen these proceedings, alleging that facts have come to its attention showing that Newton and Moran are advertising the services for which authority is sought, and that Newton's attempt to obtain \$5,000 from Luxe as a consideration for not painting his new vehicles in Luxe's colors constitutes extortion. We have analyzed the petition and applicants' responses thereto and conclude that no purpose would be served by reopening the proceedings. The petitions will be denied.

Discussion

Applicants have demonstrated the need for their proposed services. The record shows that potential users of protestants' services have been unable to reach them by telephone because of busy lines, or have incurred delays because of overtaxed facilities. On the other hand, Moran's service is desired by the public witnesses presented by him. Both applicants are now engaged in the bus business as charter-party carriers, and provide an airport service competitive with protestants. The van equipment and other facilities dedicated by applicants to their present airport services are the same equipment and facilities that will be used to conduct the proposed service.

Applicants apparently seek certificates for their airport services in order to regularize those operations. The record shows that both applicants now multiple-load, that is, they carry unrelated persons or groups in the same van and charge such persons or groups separately. Multiple-loading in the manner described does not conform to charter-party-type operations.

Applicants' financial ability to conduct the proposed service is challenged. As the proposed service will be conducted with the same personnel and equipment and in substantially the same manner as their present services, they will need to commit no additional capital investment in order to initiate the proposed services.

Protestants believe that certifications of applicants will cause a rate war to ensue. We cannot reach that conclusion. Applicants propose similar fares as protestants. Apparently service, rather than fares, has been the basis for competition between applicants and protestants to this point. Protestants have competed with each other for some time without causing fares to drop. There appears to be sufficient need for the airport services so that there will not exist a substantial overabundance of available equipment to provide the service.

Applicants should be authorized to conduct an airport service between Orange County points and LAX and regional airports subject to the same operating conditions imposed on protestants. Protestants should have free rein to add as many equipment units to their fleets as they believe are required to conduct their business in an economical and efficient manner. Therefore, present equipment restrictions should be eliminated. That will be accomplished in a separate order issued today in Applications Nos. 59545 and 59614.

The granting of certificates to Moran and Newton conforms to our policy expressed in American Bus Lines, supra, and in Airborn of Sonoma County, et al (Decision No. 91993 in Application No. 59086). Our policy expressed in those decisions does not mean that all applicants for passenger stage certificates automatically gain entry. On the contrary, applicants must demonstrate a public need for the proposed service and their fitness to conduct that service. There may be times when an existing carrier can adequately supply all the service required in a given market to the extent that market saturation is reached. If that situation is shown to exist, no additional competitive service will be authorized. However, the contrary situation was shown to exist in this proceeding. Market saturation has not been achieved by existing carriers. They seek to be relieved of restrictions on the number

of vans they may operate. Moreover, applicants are now competing in the same market with protestants; initially no more service will be provided in the aggregate by applicants than is now provided by them. It is clear that the market involved is substantial (and not fully served by existing passenger services) and that the market can embrace expanded operations by protestants and the operations of applicants without achieving saturation.

Findings of Fact

1. WIM Enterprises (Moran) is a California corporation which performs airport passenger service between Orange County points and LAX and other regional airports as a charter-party carrier.

2. Newton (Regal Airport Express) is an individual who performs airport passenger service between Orange County points and LAX and other regional airports as a charter carrier.

3. Protestant 24-Hour is a passenger stage corporation (PSC-1043) authorized to transport passengers in an on-call door-to-door service between certain points in the Los Angeles Metropolitan Service area, on the one hand, and Los Angeles County, Ontario, LAX, Hollywood-Burbank, and Long Beach airports, on the other hand, using 40 van-type vehicles.

4. Protestant Luxe is a passenger stage corporation (PSC-1044) authorized to transport passengers in an on-call door-to-door service between points in Orange County, on the one hand, and Orange County, Ontario, and LAX airports, and piers in Los Angeles Harbor, on the other hand, using 25 van-type vehicles.

5. The services applicants seek to perform are similar to those authorized by protestants.

6. Applicants now multiple-load, a type of operations not consistent with the type of operative authority held by them.

7. Applicants now provide a substantial portion of the door-to-door passenger service between Orange County points and regional airports.

8. The market in which applicants seek certificates is a growth market; that market is not saturated by the operations conducted by protestants, nor will market saturation be reached if applicants are authorized to compete with protestants as certificated carriers.

9. Increased use of public transportation is in the public interest.

10. The reasons expressed in Decision No. 89704 for placing restrictions on the number of vehicles that may be operated by 24-Hour and Luxe are no longer valid and should be lifted.

11. There is a public need for applicants' services.

12. Applicants possess the experience, equipment, personnel, and financial ability to perform the proposed services.

13. The fares proposed by applicants are justified.

14. Public convenience and necessity require that applicants be authorized to provide on-call common carrier bus service between airports and other points subject to the restrictions specifically set forth in Appendices A and B hereto.

15. The evidence does not show that the operative authorities identified in the preceding finding will impair the ability of 24-Hour and Luxe to continue to provide service to their customers.

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

17. The following order should be effective on the date of signature because there is a demonstrated need for the proposed service.

Conclusions of Law

1. Antitrust concepts are relevant to the issues of public convenience and necessity, and such concepts must be considered in arriving at a decision in this matter.

2. The antitrust requirements for the determination of public convenience and necessity, under Section 1031 of the Public Utilities Code, are basic primary requirements that outweigh the anticompetitive implications set forth in Section 1032.

3. Existing passenger service provided by 24-Hour and Luxe is not sufficient to properly serve the growing markets involved in this proceeding; therefore, the existing service is not service performed to the satisfaction of the Commission.

4. The Commission concludes that the applications should be granted as provided in the order which follows.

Applicants are 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 holders 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 W.T.M. Enterprises, Inc., a corporation, authorizing it to operate as a passenger stage corporation as defined in Section 226 of the Public Utilities Code, between points within the boundary set forth in Appendix A of this decision.

2. A certificate of public convenience and necessity is granted to Val J. Newton, an individual doing business as Regal Airport Express, authorizing him to operate as a passenger stage corporation, as defined in Section 226 of the Public Utilities Code between the points within the boundary set forth in Appendix B of this decision.

3. In providing service pursuant to the authority granted by this order, applicants shall comply with the following service regulations. Failure to do so may result in cancellations of the authorities.

- (a) Within thirty days after the effective date of this order, applicants shall file written acceptances of the certificates granted. Applicants are placed on notice that if they accept the certificates they 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, applicants 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) Applicants shall maintain their 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 their operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

4. Petitions to reopen these proceedings filed by protestants are denied.

The effective date of this order is the date hereof.

Dated APR 21 1981, at San Francisco, California.

John E. Simpson
President
Robert J. [unclear]
Samuel [unclear]
Victor Cabro
Presulla C. [unclear]
Commissioners

/ALJ/ec

Appendix A

W.T.M. ENTERPRISES, INC.
(a corporation)

Original Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
PSC-1151

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. 92951
dated APR 21 1961, of the Public Utilities Commission
of the State of California in Application No. 59240.

/ALJ/ec

Appendix A

W.T.M. ENTERPRISES, INC.
(a corporation)
PSC-1151

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Issued by California Public Utilities Commission.
Decision No. 92951, Application No. 59240.

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

W.T.M. Enterprises, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to provide on-call, door-to-door service between Los Angeles International Airport (LAX), John Wayne Airport (SNA), Long Beach Airport (LB), and Ontario International Airport (ONT), on the one hand, and all points and places in the Orange County Service Area and the Los Angeles Metropolitan Service Area as hereinafter described, on the other hand, subject to restrictions, as set forth below:

- (a) No passenger shall be picked up at an airport or an off-airport bus stop of Airport Service, Inc., or successor entities, unless a reservation has been made at least one-half hour in advance.

EXCEPTION: Passengers at airports completing round trips with W.T.M. Enterprises, Inc.

- (b) W.T.M. Enterprises, Inc., shall not appear at any off-airport pickup/delivery point of Airport Service Inc., within 10 minutes of any scheduled stop of Airport Service, Inc., or successor entities.
- (c) W.T.M. Enterprises, Inc., shall not, for any reason, spot any vehicle at an airport or at an off-airport bus stop of Airport Service, Inc., or successor entities for the purpose of waiting for radio calls to pick up passengers or for similar purposes.

Issued by California Public Utilities Commission.

Decision No. 92951, Application No. 59240.

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

- (d) No passengers shall be transported except those having origin or destination at one of the four airports identified above, on the one hand, and, on the other hand, an origin or destination within the Orange County Service Area and/or the Los Angeles Metropolitan Service Area.
- (e) Service shall be rendered via a direct route from the point of origin to the point of destination of a passenger, except that when more than one passenger is to be transported in a single vehicle, service shall be rendered by the most direct routings possible, taking into consideration the various points of origin and destination of the several passengers.
- (f) W.T.M. Enterprises, Inc. shall have discretion in choosing routings and order of origins and destinations based upon the above considerations.

SECTION 2. SERVICE AREA DESCRIPTION:

Orange County-Los Angeles County Service Area

That territory which includes all points within the geographical limits of the County of Orange and that area of Los Angeles County bound by the Los Angeles River on the west; U.S. Highway 101, the unnumbered extension of the San Bernardino Freeway, and Interstate 10 (San Bernardino Freeway portion) on the north; the western boundaries of San Bernardino and Orange Counties on the east; and the Pacific Ocean on the south.

Appendix B

VAL J. NEWTON
an individual doing business as
REGAL AIRPORT EXPRESS

Original Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
PSC-1150

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. 92951
dated 5/29/51 of the Public Utilities Commission of
the State of California in Application No. 59329.

VAL J. NEWTON
an individual doing business as
REGAL AIRPORT EXPRESS
PSC-1150

I N D E X

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

Val J. Newton, an individual doing business as Regal Airport Express, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized as a passenger stage corporation to provide on-call, door-to-door service between all points and places within its Orange County service area, on the one hand, and Los Angeles International Airport (LAX), John Wayne Airport (SNA), Ontario International Airport (ONT), and Long Beach Airport (LB), on the other hand, subject to restrictions, as set forth below:

- (a) No passenger shall be picked up at an airport or at an off-airport bus stop of Airport Service, Inc., or successor entities, unless a reservation has been made at least one-half hour in advance.

EXCEPTION: Passengers at airports completing round trips with Regal Airport Express.

- (b) Regal Airport Express shall not appear at any off-airport pickup/delivery point of Airport Service, Inc., within 10 minutes of any scheduled stop of Airport Service, Inc., or successor entities.
- (c) Regal Airport Express shall not, for any reason, spot any vehicle at an airport or at an off-airport bus stop of Airport Service, Inc., or successor entities, for the purpose of waiting for radio calls to pickup passengers or for similar purposes.

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

- (d) No passengers shall be transported except those having origin or destination at one of the four airports identified above, on the one hand, and on the other hand, an origin or destination within the Orange County service area.
- (e) Service shall be rendered via direct route from the point of origin to the point of destination of a passenger, except that when more than one passenger is to be transported in a single vehicle, service shall be rendered by the most direct routings possible, taking into consideration the various points of origin and destination of the several passengers.
- (f) Regal Airport Express shall have discretion in choosing routings and order of origins and destinations, based upon the above considerations.

SECTION 2. SERVICE AREA DESCRIPTION:

ORANGE COUNTY SERVICE AREA:

Includes all points within the geographical limits
of Orange County.