

ORIGINAL

Decision 93607 OCT 6 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of THE SONOMA COUNTY AIRPORT)
EXPRESS, INC. to include)
Petaluma, California and Oakmont,)
California as additional)
terminals enroute to San)
Francisco International Airport.)

Application 60350
(Filed March 11, 1981)

Paul S. Silver, Attorney at Law, for The Sonoma
County Airport Express, Inc., applicant.
Norbert C. Babin, Attorney at Law, for Santa
Rosa Airporter, Inc., protestant.

O P I N I O N

Applicant The Sonoma County Airport Express, Inc., which currently serves the San Francisco International Airport (SFO) to and from Santa Rosa and Rohnert Park under a passenger stage certificate, seeks authority to add the points of Oakmont and Petaluma to such service. The requested service at Petaluma was protested by Santa Rosa Airporter, Inc. (SRA). The proposed service at Oakmont was not protested. A hearing was held at Petaluma before Administrative Law Judge Pilling on May 18, 1981.

Applicant was granted its present passenger stage authority by Decision (D.) 92624 dated January 21, 1980, and at the time this hearing was held had been in operation for approximately six months. In February and March of 1981, it transported 2,200 passengers. For the first five months of its operation it had a gross income of \$58,362 and a net loss of \$61,580. As of March 31, 1981, applicant had a net worth of \$5,920.

Applicant operates three radio-equipped 18-passenger vans which, in the aggregate, make nine round trips each day Monday through Friday and four round trips on Saturday and Sunday. It also owns a backup van and has another van on order. The three first-line vans are fueled by propane which saves applicant \$1 per gallon over the price of gasoline but gives 20% less mileage per gallon than gasoline. Applicant initially charged \$12 per passenger per round trip, but when the vans were converted to propane, it reduced its fare to \$10. Applicant carries \$1 million public liability and property damage insurance. It pays travel agents a 15% booking commission.

The proposed operation will be conducted generally in the same manner as its present operation is being conducted but with minor schedule adjustments to accommodate service at Oakmont and Petaluma. Southbound, applicant will serve Oakmont, Santa Rosa, Rohnert Park, and Petaluma in that order, and northbound, in the reverse order. The first of nine daily southbound schedules will leave Oakmont every weekday at 4:30 a.m. and the last schedule at 8:00 p.m. In the reverse direction, the first schedule will leave SFO at 7:15 a.m. and the last schedule at 11:00 p.m. On weekends and holidays the first and last southbound schedules will leave Oakmont, respectively, at 5:00 a.m. and 6:00 p.m. and in the reverse direction at 7:45 a.m. and 10:00 p.m. Applicant states that Petaluma is the second largest population center in Sonoma County and that parties living or visiting Petaluma who desire to use applicant's service must presently drive between 10 and 15 miles to connect with applicant's service at Santa Rosa or Rohnert Park. The proposed pickup point at Petaluma will be near U.S. Highway 101, the major artery used by applicant in its service to and from SFO.

The president of applicant testified that, based on his review of studies made by the Metropolitan Transportation Commission (MTC), 750,000 passengers or 3.4% of the 22.25 million passengers

who used SFO in 1980 came from or returned to Sonoma County. He testified that SRA reported that for 1980 it handled a total of approximately 43,800 passengers to and from SFO. These 43,800 passengers constituted only 5.75% of all Sonoma County airport travelers who could potentially use airport bus service. Additionally, the MTC report shows that 48.7% of Sonoma County airline passengers going to SFO originated at Santa Rosa, while 11.3% or 42,375 passengers ($750,000/2 \times .113$) originated at Petaluma. Assuming the 42,375 outbound Petaluma passengers returned to Petaluma, the annual airport bus passenger potential to and from Petaluma would equal 84,750 passengers.

The application was supported by four separate travel agents who each have offices in Petaluma and who, between them, book approximately 140 passengers per month on airport bus service. 125 passengers are booked in SRA's service and the remainder in applicant's service through Santa Rosa or Rohnert Park. They testified variously that their bookings by bus to and from SFO have been increasing and that there is a need for increased airport bus service at Petaluma on the weekends and holidays and to fill in the time spots on weekdays when SRA does not operate, particularly later at night as applicant proposes to operate. They support the application to obtain better service at Petaluma for their clients. They testified that SRA has, on occasion, missed pickups at Petaluma but that SRA has added to the number of buses it uses to serve Petaluma. They noticed an improvement in SRA's service after applicant instituted the service authorized by D.92624.

SRA has been performing passenger stage service under an appropriate certificate between Santa Rosa, Petaluma, and SFO since early 1976. It recently acquired authority to serve Rohnert Park. It furnishes the only airport bus service at Petaluma. It initiated operations with three buses. In its current operation it employs three 20-passenger buses, three 11-passenger buses, and one 16-passenger bus. Its first weekday schedule leaves Santa Rosa at 5:45 a.m. and

the last at 7:00 p.m. Its last weekday schedule leaves SFO at 9:00 p.m. ✓
SRA repeatedly advertises its service in four newspapers in Sonoma County and occasionally over local radio stations. SRA has experienced an increase in its business every month since it started operating. In 1980 it transported a total of 43,800 passengers to and from SFO of which only 30% were booked by travel agents. It pays travel agents a 10% booking commission. It charges a one-way fare of \$12. The witness for SRA stated that SRA has provided and continues to provide satisfactory service between Petaluma and SFO and has never received notice from the Commission that its service was unsatisfactory in any way. Because of this latter fact, SRA contends the Commission is precluded from granting the application because Public Utilities (PU) Code Section 1032 allows such a grant "only when the existing passenger stage corporation or corporations serving such territory will not provide such service to the satisfaction of the commission". In addition, a grant of the application would result in a reduction in the number of passengers SRA would carry and necessitate its increasing its fares to maintain the quality of its service. SRA requests that the Commission deny the application as an additional carrier at Petaluma will not promote better service than the service already provided by SRA.

Discussion

The City of Petaluma presently has but one airport bus service. In American Buslines, Inc., D.91279 dated January 29, 1980, we stated that the Commission does not consider monopoly passenger stage service adequate service to the public and that due to the continuing energy crisis it is essential that an attractive alternative be available for public travel if the public is to be lured out of the private automobile. We have been presented with no special circumstances in this application which persuade us that monopoly

airport bus service at Petaluma is in the public interest. No doubt, some dilution of SRA's present Petaluma traffic will take place upon the institution of another airport bus service there. However, there is still a large and only partially tapped source of potential airport bus passengers in Petaluma and vicinity, namely, those airline passengers who currently use private automobiles for airport travel, who, with proper inducement, could be weaned away from their automobiles to ride the airport bus services. These new patrons should provide an adequate number of passengers to sustain both bus services. As we see it, the main thrust of the competition at Petaluma will be between bus service and the automobile rather than between the two bus services. An additional airport bus service at Petaluma should not only stimulate the efforts of the two services to excel, but should also act as an additional lure to get the airport travelers out of their automobiles. Moreover, the record clearly shows that applicant's service between SFO and Petaluma will be at different times than SRA's service, and the fares will be different.

Findings of Fact

1. Applicant, which has been conducting airport passenger stage service between SFO and Santa Rosa and Rohnert Park for six months, seeks authority to add the points of Oakmont and Petaluma to such service.
2. The proposed physical operation will be conducted generally in the same manner as its present operation is being conducted but with minor schedule changes to accommodate services at Oakmont and Petaluma.
3. Three radio-equipped, propane-powered, 18-passenger vans collectively will make nine scheduled round trips each weekday and four on Saturday and Sunday in the proposed service.
4. The first and last weekday schedules will leave Oakmont at 4:30 a.m. and 8:00 p.m., respectively, and the last schedule will leave SFO at 11:00 p.m.

5. On weekends and holidays applicant's first and last southbound schedule will leave Oakmont at 5:00 a.m. and 6:00 p.m., respectively, and the last SFO schedule will leave SFO at 10:00 p.m.

6. Applicant proposes to charge a one-way fare of \$10. It pays a booking commission to travel agents of 15%.

7. Applicant carries \$1 million in liability insurance.

8. Applicant's net worth as of March 31, 1981, was \$5,920.

9. Four travel agents who have offices in Petaluma and who book airport bus service support the application.

10. SRA performs airport bus service between Santa Rosa, Rohnert Park, Petaluma, and SFO.

11. SRA furnishes the only airport bus service at Petaluma.

12. Since SRA started airport operations in early 1976, it has experienced an increase in the number of passengers transported every month.

13. SRA's first weekday schedule leaves Santa Rosa at 5:45 a.m. and its last at 7:00 p.m. Its last schedule leaves SFO at 9:00 p.m.

14. SRA advertises its service in four Sonoma County newspapers and occasionally on the radio.

15. In 1980 SRA transported a total of approximately 43,800 passengers in its airport bus service.

16. 30% of SRA's airport bus passengers are booked by travel agents to whom it pays a 10% booking commission.

17. SRA's one-way fare is \$12.

18. The annual airport bus passenger potential at Petaluma is approximately 84,710 persons.

19. There is an ample number of airline travelers in Petaluma and vicinity to support two SFO airport bus services if a substantial number of such travelers can be induced to use airport bus service instead of their private automobile to and from SFO.

20. The fares and times that service will be performed between Petaluma and SFO are different for applicant and SRA.

21. Competition by and between applicant and SRA to induce private automobile passengers going between Petaluma and SFO to use bus service instead of automobiles will significantly hasten and contribute to the diversion of traffic from the private automobile to bus service. SRA's present monopoly service is not adequate service to the satisfaction of the Commission.

22. Applicant's request for service at Oakmont is unopposed.

23. Applicant possesses the ability, experience, and financial resources to perform the proposed service.

24. Public convenience and necessity require that the service proposed by applicant be certificated.

25. 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. Public convenience and necessity have been shown.

2. The application should be granted.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to The Sonoma County Airport Express, Inc., a corporation, authorizing it to operate as a passenger stage corporation, as defined in PU Code Section 226, between the points and over the routes set forth in the amended Appendix A of D.92624, to transport persons and their baggage. Appendix A of D.92624 is amended by incorporating attached First Revised Pages 1 and 2, in revision of Original Pages 1 and 2, respectively.

2. Applicant shall:

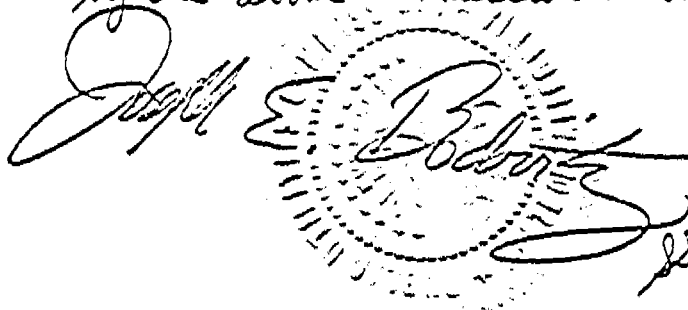
- a. File a written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective.
- c. State in its tariffs and timetables when service will start; allow at least 10 days' notice to the Commission; and make timetables and tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol Safety rules.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.

This order becomes effective 30 days from today.

Dated October 6, 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

*I certify that this decision was approved
by the above Commissioners today.*



Appendix A
(D.92624)

THE SONOMA COUNTY AIRPORT EXPRESS, INC.
(a California corporation)
(PSC-1120)

First Revised Page 1
Cancels
Original Page 1

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

The Sonoma County Airport Express, Inc., a California corporation, by the certificate of public convenience and necessity to operate as a passenger stage corporation granted in the decision noted in the margin, is authorized to transport passengers and their baggage between Flamingo Hotel in Santa Rosa, Rohnert Park, *Petaluma and *the Community of Oakmont, on the one hand, and San Francisco and Oakland International Airports, on the other hand, over and along the routes described, subject, however, to the authority of this Commission to change or modify these routes at any time and subject to the following provisions: ✓

- (a) When route descriptions are given in one direction, they apply to operation in either direction unless otherwise indicated.
- (b) No passengers shall be transported except those having origin or destination at either San Francisco International Airport or Oakland International Airport.
- (c) No service shall be provided from San Francisco International Airport or Oakland International Airport without an advance reservation.
- (d) Service may also be provided on an on-call basis. The term "on-call" as used refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which each authorized on-call service will be rendered.
- *(e) The Community of Oakmont shall be defined as that portion of the City of Santa Rosa East of a projection of Danielli Avenue.

Issued by California Public Utilities Commission.

*Added by Decision 93607, Application 60350.

Appendix A
(D.92624).

THE SONOMA COUNTY AIRPORT EXPRESS, INC.
(a California corporation)

First Revised Page 2
Cancels
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SECTION II. ROUTE DESCRIPTIONS.

Route No.

*1. Oakmont - Santa Rosa - Rohnert Park - Petaluma -
San Francisco International Airport

Commencing at the Community of Oakmont, then over the most convenient and appropriate streets and State Highway 12 to the Flamingo Hotel in Santa Rosa, then over the most convenient and appropriate streets and roads and State Highway 101, then to Rohnert Park, then over the most convenient and appropriate streets and roads and State Highway 101 to Petaluma, then over the most convenient and appropriate streets and highways to the passenger terminal at San Francisco International Airport.

2. Santa Rosa - Rohnert Park - Oakland International
Airport

Commencing at the Flamingo Hotel in Santa Rosa, then over the most convenient and appropriate streets and roads to Highway 101, Rohnert Park Expressway, Rohnert Park, return and continue on Highways 101 and 17, Hegenberger Road, Airport Drive, in Oakland and to the passenger terminal at Oakland International Airport.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

*Added by Decision 93607, Application 60350.