

ORIGINAL

Decision 93695

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of San Simeon Stages, Incorporated,)
for a certificate to operate as a)
Charter-Party Carrier of Passengers,)
Morro Bay. }

Application 60189
(Filed January 15, 1981)

Eldon M. Johnson, Attorney at Law, for
applicant.
R. D. Rierson, for Greyhound Lines, Inc.;
and William D. Taylor, Attorney at Law,
for San Luis Transportation, Inc.,
protestants.

O P I N I O N

San Simeon Stages, Incorporated requests a Class B certificate to operate as a charter-party carrier of passengers from a service area encompassing a radius of 40 air miles from Morro Bay. The application was protested by Greyhound Lines, Inc. (Greyhound) and San Luis Transportation, Inc. (San Luis).

Public hearing was held before Administrative Law Judge Daly at San Francisco on September 11, 1981 and the matter was submitted.

Applicant is presently engaged as a passenger stage corporation in the transportation of passengers between San Luis Obispo and Hearst Castle under Decision 85219 dated December 9, 1975 in Application 55970.

Applicant's principal place of business is located at Morro Bay, California. It operates three GMC buses ranging in capacity from 32 to 45 passengers and as of December 31, 1980, indicated a net worth of \$14,308.

Applicant's Showing

Applicant's president is an employee of Great Western Tours, which has no financial interest in applicant. Applicant is primarily engaged in transporting Amtrak passengers from the railroad station in San Luis Obispo to and from the Hearst Castle. The Amtrak tours to Hearst Castle originate in San Francisco and Los Angeles. They cover a period of two days and one night. Passengers are transported by rail to San Luis Obispo and then are transported by bus to and from the castle. The tours are packaged by Great Western Tours and applicant, whose bus service is used exclusively, is paid for the transportation service performed on a per capita basis. Service is provided seven days a week from May through October. During week days only one bus is required, but on weekends two or three buses are used.

Applicant employs three drivers and a mechanic on a parttime basis. Equipment and maintenance records have been inspected by the California Highway Patrol annually since the inception of the operation without a citation or warning being issued. ✓

According to applicant's general manager, who also serves as a driver, applicant has received at least 30 requests in the recent past for charter service. She testified that many retired people have settled in the San Luis Obispo area and because they are interested in recreational travel and activities, without the need for driving their own automobiles, they prefer to take chartered trips to places of interest within the State as well as to baseball and football games, plays, and symphonies in Los Angeles and the San Francisco Bay Area.

Although applicant intends to replace one of its three buses, it has no plans to acquire additional equipment; however, it does have a verbal commitment from Eastshore Lines for the use of a bus when needed. According to applicant's president there were only three or four days in the past year that all three buses were in use at the same time. Applicant's general manager admitted that there are times during the peak season when equipment shortages do occur, but she testified that this is a situation that all carriers are confronted with, including Greyhound. She testified that on May 16 and again during April of this year, she called Greyhound to arrange for transportation of passengers to Hearst Castle and was told that no equipment was available. She further testified that on one occasion applicant supplied service in response to a request from Greyhound.

Two public witnesses testified in support of the application. A representative from The Travel Company of San Luis Obispo testified that she frequently gets calls on behalf of small groups, primarily retired people, who are interested in chartered trips within the state. In addition, she testified that her company handles group air transportation for passengers destined to Hawaii and Mexico. These passengers are transported in chartered buses from San Luis Obispo to the San Francisco or Los Angeles airports. According to the witness her company would use the proposed service if authorized.

The other witness represented no company, organization, or group. He testified that he, like many other retired persons living within the San Luis Obispo Area, was interested in group bus travel for recreational and cultural purposes.

Protestants' Showing

In addition to its certificated authority as a passenger stage corporation, Greyhound also holds a Class A certificate to operate as a charter-party carrier of passengers from and to all

points within the state. As of September 1, 1981 it owned 4,417 buses, 1,976 of which were licensed to operate in California.

According to the Greyhound witness, Greyhound has an average of eight buses stationed at San Luis Obispo that are available for charter service. He testified that Greyhound actively solicits charter business and can handle any business the area can generate. He further testified that during the month of June 1981 Greyhound realized gross revenues of \$10,808.35 from charter operations originating at points within 40 air miles of Morro Bay and that any diversion from its charter traffic would have an adverse financial effect upon Greyhound's overall operations.

San Luis presently provides a certificated passenger stage service within the City of San Luis Obispo and environs. It owns and operates 18 transit buses and one intercity bus with reclining seats that is used for charter service. Since acquiring its Class B charter-party certificate in June 1981, San Luis has conducted 15 charters for a gross revenue of \$4,175.30.

The president of San Luis testified that although the company has only one bus that is designed with the comforts of intercity travel, many customers prefer to charter the transit buses because of the lower rates. According to the witness, many charters to San Francisco and Los Angeles were canceled because of the baseball strike. In an attempt to generate business, he stated that notices of the new service have been sent to groups and organizations within the area and that newspaper and radio advertising has been conducted. The witness expressed the opinion that San Luis should have an opportunity to develop its new charter service before additional services are authorized.

Discussion

Located close to the sea with a refreshing and pollutant-free environment, the San Luis Obispo-Morro Bay Area is an attractive dwelling place for retired people. Situated half way

between San Francisco and Los Angeles it affords ready access to the recreational and cultural facilities of both metropolitan areas. Because of social, economic, and physical reasons many retired people prefer to avail themselves of these facilities by way of group transportation rather than drive their own automobiles.

To meet this need, and as a means of financially supplementing their respective passenger stage operations, Greyhound and San Luis are conducting charter operations. Although both protestants claim that they are ready, willing, and able to provide all of the needs within the area for charter service, the record discloses that on May 16, 1981, Greyhound was unable to meet a request for service made by applicant. San Luis has only recently commenced its service, but it has only one bus that is suitably equipped for the traveling needs and convenience of older people.

Applicant is also providing an important passenger stage service within the San Luis Obispo Area. Like protestants, applicant desires to supplement its income by charter operations. With only three buses, applicant would divert little, if any, traffic from protestants. This would be particularly true during the peak season, from May through October, when the demands of its passenger stage service would have to be met. During the off-peak period, applicant's equipment would, to the extent of its capacity, be available to meet any existing need for charter service within the area and to provide additional income.

Findings of Fact

1. There are a number of retired people living in the San Luis Obispo Area that are interested in using group bus transportation for recreational and cultural purposes.

2. Greyhound and San Luis are presently providing essential passenger stage service within the San Luis Obispo Area and each is supplementing its overall operations by conducting charter service; however, they are not able to provide charter service at all times to this Commission's satisfaction.

3. Applicant is also engaged in serving the area as a passenger stage corporation in the transportation of Amtrak passengers from the railroad station in San Luis Obispo to Hearst Castle and return.

4. As an existing certificated carrier serving the area, applicant should be afforded the same opportunity to supplement its overall operations by conducting charter service.

5. Applicant has the ability, experience, equipment, and financial resources to perform the proposed service.

6. Public convenience and necessity require the service proposed by applicant.

7. Applicant should be authorized to pick up passengers within a radius of 40 air miles from his home terminal at 968 Balboa Street, Morro Bay, California 93442.

8. 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

Public convenience and necessity have been demonstrated and a certificate should be granted. The following order should be effective today since there is a demonstrated need for applicant's proposed service.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity, to be renewed each year, is granted to San Simeon Stages, Incorporated, authorizing it to operate as a Class B charter-party carrier of passengers, as defined in Public Utilities Code § 5383, from a service area with a radius of 40 air miles from applicant's home terminal at 968 Balboa Street, Morro Bay, California 93442.

2. The Passenger Operations Branch will issue the annual renewable certificate on Form PE-695 as authorized by Resolution PE-303, when it receives California Highway Patrol clearances and evidence of liability protection in compliance with General Order Series 115.

3. In providing service under the certificate, applicant shall comply with General Orders Series 98 and 115, and the California Highway Patrol safety rules.

This order is effective today.

Dated NOV 3 1981, at San Francisco, California.

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

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

John E. Bryson
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