

Decision 93725 NOV 13 1981**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 PACIFICO CREATIVE SERVICE, INC. for )  
 a certificate of public convenience )  
 and necessity for passenger sight- )  
 seeing service in Alameda, Contra )  
 Costa, Los Angeles, Marin, Fresno, )  
 Mariposa, Merced, Monterey, Orange, )  
 Sacramento, San Diego, San Francisco )  
 San Joaquin, San Mateo, Santa Clara, )  
 Santa Cruz, Solano, Sonoma, )  
 Stanislaus, Tuolumne, and Yolo )  
 Counties. )

Application 58739  
 (Filed March 14, 1979;  
 amended December 13, 1979,  
 February 20 and May 13, 1981)

Edward J. Hegarty and John F. McKenzie,  
 Attorneys at Law, for Pacifico Creative  
 Service, Inc., applicant.  
J. Mark Lavelle, for himself (dba Dolphin  
 Tours); Daniel W. Baker, Attorney at Law,  
 for SFO Airporter, Inc.; Malcolm H. Gissen,  
 Attorney at Law, for The Gray Line, Inc.;  
James Clapp, Attorney at Law, for O'Connor  
 Limousine Service, Inc.; and Richard M. Hannon,  
 Attorney at Law, for California Parlor Car Tours, Inc.,  
 protestants.  
Eugene Tomine, Attorney at Law, for Nippon  
 Express, USA, interested party.

### FINAL OPINION

#### I. INTRODUCTION - BACKGROUND

Pacifico Creative Service, Inc. (Pacifico), a Hawaii corporation qualified to do business in California, seeks a certificate of public convenience and necessity to conduct passenger stage operations. The application was originally filed in the name of Pacifico's California subsidiary, but later the parent corporation was substituted as the applicant.

The application was originally filed in response to protests to the Commission that Pacifico was operating de facto passenger stage routes without a certificate, which Pacifico denied. Three days short of a month after Pacifico's application was filed, the case of J. Mark Lavelle v Japan Air Lines, et al. (Case (C.) 10732) was filed. The Lavelle v JAL complaint was consolidated with this application and heard first. On December 2, 1980, after extensive hearings, we issued Decision (D.) 92455, which found that Pacifico conducted certain routes of the passenger stage type, and we ordered Pacifico to cease doing so.

Lavelle v JAL concerned "optional" intrastate bus tours offered by Pacifico - that is, add-on tours not part of the original package price paid to Pacifico's controlling corporation, Japan Creative Tours (JCT) by the tourists in Japan, prior to departure. Fares for the optional tours are paid individually in California. The question of whether the prepackaged transportation falls within our jurisdiction is the subject of Lavelle v Pacifico, C. 10935. A motion to dismiss for want of jurisdiction is pending in that case.

A second prehearing conference was held before an administrative law judge on March 4, 1981<sup>1/</sup> and 15 days of hearings were held in San Francisco from April to June. Closing briefs were received in August.

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1/ This application was originally consolidated with C.10732, and an earlier PHC was held before the commencement of hearings in that complaint case. The record in C.10732 is still considered consolidated for evidentiary purposes. (Tr. 1195.) The first exhibit in the application phase of the proceeding is 76.

Prior to final submission of the application we found it to be in the public interest not to disrupt existing bus transportation for Japanese tourism during the 1981 summer season, and in D.93161 (June 2, 1981)<sup>2/</sup> we issued Pacifico a temporary certificate, expiring on October 31, 1981, for the following optional tour routes:

From San Francisco:	Yosemite National Park Three Bridges and Bay Cruise Monterey - Carmel
From Los Angeles:	Disneyland Los Angeles Night Tour

See the certificate attached to D.93161 for complete route descriptions.

Then on August 18, 1981 we issued D.93467 granting rehearing of D.93161, but the effect of this was to leave the temporary certificate in effect until the expiration date originally set (October 31, 1981). D.93479, issued September 1, 1981, corrected certain clerical errors in D.93467.

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<sup>2/</sup> On May 19, 1981 we issued D.93079 concerning certain other companies serving Japanese tourists. This decision concerns our analysis of why such temporary certificates are advisable. Pacifico's decision was issued two weeks later because Pacifico substituted the parent corporation for a subsidiary as applicant.

Background of Pacifico's Operations

Pacifico's business is as a "ground operator" or "receptive agent" for tourists from Japan. D.92455<sup>3/</sup> described Pacifico's business objectives and methods as follows.

(Proposed report, pp. 7-9, footnotes omitted):

"The function of Pacifico and other ground operators with which it competes is to serve the needs of those traveling to the United States from Japan on package tour arrangements. (There are also ground operators dealing with other nationalities, and this type of business is not unique to California or to the United States.)

"Some ground operators are strictly independent businesses. Pacifico is, however, connected with JAL. It was stipulated (Tr. 273) that this corporate connection is as follows:

- "1. JAL owns 50.2 percent of JCT stock;
- "2. JCT owns 30 percent of the stock of Pacifico Hawaii; and
- "3. Pacifico Hawaii owns 100 percent of Pacifico California.

"The parties disputed how much control JAL, a Japanese corporation with many overseas air routes, exercises over its subsidiaries. This problem will be reviewed later in this opinion.

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3/ The description is actually from the ALJ's proposed report adopted by the Commission. The Commission's opinion made minor changes to the report, but not concerning the quoted material.

"JCT, also a Japanese corporation, is known in the business as a tour wholesaler. Its function is to put together package tours in Japan. It deals with local Japanese tours agencies which are the retailers, and not directly with individual members of the public. The tours are promoted under the name JALPAK, which [is] a registered trademark of JAL, used with JAL's permission by JCT and Pacifico. JCT distributes JALPAK brochures, etc., to the Japanese tour retailers. Such brochures include descriptions of specific optional bus tours from San Francisco to outlying points of interest within California (discussed in more detail below).

"Pacifico maintains offices in and conducts operations in Los Angeles and San Francisco. Its Los Angeles operations were not developed in detail, but the record indicates that the methods of operation in San Francisco and Los Angeles are similar."

\* \* \*

"It is essentially the function of Pacifico to actually conduct the package tour for a group arriving here from Japan. This includes arranging ground transportation. It also encompasses meeting the group at the airport, where it has a booth. One Pacifico employee is allowed in the customs area to assist arriving group members. Pacifico furnishes Japanese-speaking guides aboard the buses. It conducts group briefings at the hotel, upon arrival, in order to acquaint the tourist with the area, and to inform them of certain problems and customs they may encounter in the United States. The record demonstrates that a ground operator is especially important in handling a group tour of persons from a different part of the world who do not understand the language and customs of the country they are visiting."

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"From the viewpoint of an individual Japanese tourist, then, the system works as follows: he (she) consults a retail tour agency in Japan and is shown JCT JALPAK brochures and those of competitors. If he selects a JALPAK group tour to California he makes a fixed prepayment (in yen) for the tour. In addition to his tickets, etc., he is given brochures which include descriptions of optional tours available in California, which may be purchased after arrival, in dollars. He is flown here aboard a JAL aircraft. When he gets to the airport and debarks, he is received by Pacifico employees wearing uniforms with emblems with the legend JALPAK and which include the design of the JAL logo below the word JALPAK. (See photographs; Exhibits 72, 73, 74, and 75.) He and other members of the group are placed aboard chartered buses to be transferred to the hotel. If the arrival is in the daytime, the transfer is combined with a city tour with Japanese narration by a Pacifico employee. He is assisted by Pacifico personnel in checking into a hotel. A briefing session is held. Pacifico employees assist members of the group with their scheduling to make sure they do not miss the bus tours which are prepaid (unless they elect not to go). Such employees also sell optional bus tours which were not included in the prepaid package, collecting for them in dollars. Pacifico charters buses as necessary for both the prepackaged and the optional tours and furnishes Japanese-speaking guides. The drivers are furnished by the bus company. Lastly, Pacifico personnel assist at check-out and departure.

"Pacifico procures its bus transportation from charter-party carriers. In the San Francisco area it uses Franciscan Lines, Inc. (Franciscan), Falcon Charter Service, Inc. (Falcon), and Eastshore Lines, Inc. (Eastshore). Pacifico pays these companies monthly on a mileage basis. At the same time, however, Pacifico collects fares for optional tours on an individual basis from members of JALPAK tour groups who wish to take such additional tours."

This application presents the question of what optional, as distinguished from prepackaged, tours should be certified.

## II. ROUTES REQUESTED

Passengers are to be picked up directly at their hotels and returned there. All tours are conducted in Japanese narration only. As indicated in D.92455 (footnote 7), Pacifico formerly filled up empty seats on its optional tours by selling tickets to individual Japanese-speaking persons who were not members of JALPAK tour groups, but this practice was terminated in 1977.

The following proposed routes originate and terminate in San Francisco:<sup>4/</sup>

- Tour 1: Yosemite National Park; a one-day tour approximately 13 hours long, including lunch. Fares: Adults \$75, Children \$60.
- Tour 2: Three Bridge Tour; Bay Bridge, U.C. Berkeley, Hilltop Shopping Center in Richmond, Larkspur Landing, Sausalito, 8½ hours. Adults \$45, Children \$35.
- Tour 3: Mystery Spot; Monterey, Carmel, 11 hours. Adults \$55, Children \$45.

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<sup>4/</sup> See pacifico's second amendment to the application filed February 20, 1981, or the certificate attached to this decision for more detail.

- Tour 4: "Wedding Package", approximately 3 hours depending on church availability. \$400 per couple.
- Tour 5: Napa Wine Country and State Capitol. 10 hours. Adults \$55, Children \$45.
- Tour 6: Deluxe San Francisco Night Tour. Includes trip to Treasure Island and one nightclub. 5 hours. Adults \$60.

The following tours originate and terminate at the tourists' hotels in Los Angeles:

- Tour 7: Disneyland. 9 hours. Adults \$43, Children \$34.
- Tour 8: Dodgers Night Game. 3½ to 4 hours. Adults \$40, Children \$32.
- Tour 9: Los Angeles Night Tour. Hollywood; dinner at a "quality restaurant", Olvera Street, then to a nightclub. 4½ hours. Adults \$50.
- Tour 10: Knott's Berry Farm. Includes Queen Mary and Del Amo Shopping Mall. 9 hours. Adults \$43, Children \$34.
- Tour 11: Universal Studios. 6 hours. Adults \$36, Children \$31.
- Tour 12: San Diego and Tijuana. (A certificate for this is no longer requested. See discussion elsewhere.)
- Tour 13: Hollywood Bowl Concert (summer only). Includes box dinner. 5 hours. Adults \$50, Children \$40.

All tours require a minimum of 10 passengers except the "wedding package".

Some preliminary comments are necessary before discussing Pacifico's presentation in more detail.



The evidence shows that the "Wedding Package" is not a passenger stage route. We rejected Pacifico's "package of services" argument when applied to all its tours in D.92455, but this argument is valid when applied to the wedding package. Most of the \$400 charge is for the church rental, donation to the clergyman, flowers, etc. Transportation involves well less than half the total time. Also, in D.92455 we found that this operation is not conducted regularly enough to need a certificate. (Cf. discussion of wedding packages in D.93079 mentioned in footnote 2; see also Joy-Tak, Inc., A.60835, D.93710, issued November 3, 1981.)

Nightclub tours also present special problems. Pacifico argues that those which are 100% within one city are exempt from regulation under Public Utilities (PU) Code § 226, first paragraph, citing Invitation Tours (A.58725, D.90269, May 8, 1979). Section 226 does not create a route-by-route exemption but one based upon total operations for a particular carrier. The opinion in Invitation Tours is consistent with this section. See also Lavelle v Joy-Tak, Inc., C.10767, D.92680, February 4, 1981, finding 3.

Are nightclub tours also a "package of services"? We believe that, as with the wedding tours, when the expense of the transportation is a minor component, the answer is "yes." Furthermore, even under our traditional view<sup>5/</sup> of passenger stage service, these tours do not meet the standard for a "regular route."

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<sup>5/</sup> In other proceedings we are reviewing our previous opinions that round-trip sightseeing is passenger stage transportation. In this application, extensive hearings have been held and it would be unfair not to issue a decision based on the evidence and the issues raised by the parties. This decision, therefore, is written assuming that our traditional stance is correct. If a decision in another proceeding takes a different view, we may modify or revoke Pacifico's certificate, but not until such decision becomes final.

But are they transportation "between fixed termini"?

In D.92455 (proposed report, p. 38) we stated:

"Section 226, regarding the type of transportation, is written in the disjunctive ("between fixed termini or over a regular route") so that meeting one of the two criteria is enough. However, we believe that the frequently run tours meet both criteria. The points of interest of each tour are fixed. Research discloses no case either way on this precise point, but the better interpretation is to regard the most distant regularly visited point of interest on a sight-seeing tour (if the other requisites of passenger stage carriage are fulfilled) as a terminus. Section 226 does not distinguish between classes of passenger stage carriage (sightseeing and other) and the intent of Section 226 is to declare a bus operation to be of the passenger stage category if there are fixed points, regardless of whether all of the transportation is round trip. The purpose of the disjunctive phrasing in Section 226 is to prevent evasion of passenger stage requirements by constant route changes between the fixed points."

In a nightclub-restaurant tour there is no regularly visited point other than the hotel or hotels at which the tourists are picked up. (Even when there is more than one hotel, it is reasonable to regard the hotels collectively as one terminus.) In D.92455 we dealt with tours visiting definite sightseeing attractions (except for wedding packages). Nightclub tours appear to have no definite terminus (except for weeks or months at a time) except the hotels. The language "fixed termini" in § 226 clearly suggests that two or more termini are necessary - in other words, there must be transportation between "point A" and "point B" even if it is all round trip. A loop from "point A" back to "point A" with no other definite route or stop in between is not the subject of § 226. In Golden Gate Steamship Lines v PUC (1962) 57 C 2d 372, 19 Cal Rptr 637, the California Supreme Court held that we had no

jurisdiction under PU Code §1007 to require a certificate for vessel transportation where such a loop was involved.<sup>6/</sup>

While arguments may be made that we should even require certificates for routes having definite stopping points for weeks or months, we do not believe the Legislature intended us to strictly apply § 226 to cover the shifting sands of nightclub acts and restaurant food quality. We hold that restaurant-nightclub tours are not passenger stage transportation, unless other significant fixed tour attractions are added. ✓

Lastly, there is the San Diego-Tijuana tour originating in Los Angeles. When we ordered Pacifico to cease this and certain other routes unless it obtained a certificate, it arranged with Gray Line, Inc. of Southern California (not the protestant in this application) to operate the tours under its Interstate Commerce Commission authority, with, as usual, Pacifico's tour guides aboard the buses. Pacifico has found this service advantageous because the authority allows the buses to cross into Mexico and to be used for point-to-point transportation in Tijuana. Therefore, Pacifico no longer requests a certificate from this Commission for the route.

Based on the preceding discussion, we find that no passenger stage authority is necessary for Tours 4, 6, 9, and 12.

### III. ISSUES OF FITNESS

#### Financial Position of Pacifico

Exhibit 98, a consolidated financial statement, as of March 31, 1981, shows Pacifico's net worth of \$1,479,990.52 representing \$20,000 in capital contributions, and retained earnings of \$1,459,990.52. Exhibit 99, a pro forma profit and loss statement for optional tour operations in California for the fiscal year 1981, together with Exhibit 112, show an estimated pretax profit for optional tours of \$239,680.

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<sup>6/</sup> We are not suggesting that regulation of a definite route can be evaded by the simple inclusion of a variable club or restaurant stop. But a tour with "a nightclub" and/or "a restaurant" as points of interest falls, in our opinion, under the scope of the decision in Golden Gate Steamship Lines. In our view the stop at Treasure Island in Pacifico's San Francisco Night Tour is incidental to the entertainment features.

A review of the record concerning financial fitness shows that protestants failed to raise substantial questions of fact on the issue.

Operational Fitness

Issues of operational fitness should be distinguished from those relating to demand for the service or whether, under PU Code § 1032, existing carriers provide the service to the satisfaction of the Commission.

Pacifico's basic operational methods are set forth in the introductory section of this opinion. Pacifico hires full-size buses from large charter-party carriers. These buses are clean and well maintained. They are air-conditioned, have comfortable seats, and for the longer trips are equipped with restrooms. There are no substantial issues concerning either mechanical condition of the buses or the training and experience of the drivers.

Protestant J. Mark Lavelle, dba Dolphin Tours (Lavelle) attempted to show on cross-examination that bus availability problems might occur, peak season, for the routes originating in San Francisco. We believe the evidence shows bus availability is adequate.

More of an issue was made over the quality of Pacifico's guides. Pacifico and Lavelle each attempted to show that the other's guides were deficient in some respect.

Pacifico hires persons born and raised in Japan as tour guides. Pacifico's management believes that such persons are better able to cope with the needs of Japanese tourists unfamiliar with Western countries, and that there are certain formalities, manners, and customs which Japanese nationals expect to be observed by tour guides and others dealing with them. (Prepared testimony of Ko Ueno and Kiyoshi Nishio, Exh. 79 and 80 respectively).

Pacifico's guides are given a thorough training program, which includes accompanying tours with other guides as trainees, so that they are familiar with the routes and points of interest. All guides are fulltime employees. (Pacifico's opening brief, pp. 46-48.) Pacifico claims that, among other reasons, Lavelle's service is not satisfactory because his tour guides are inadequate.

Lavelle introduced his tour manager, Noriko Abe, and several of his tour guides, to show that Pacifico's assumptions are erroneous. Lavelle's hiring policy for guides is at odds with Pacifico's. He prefers to hire U.S. nationals who were born and raised in the U.S., but who have spent extensive time in Japan and who have become reasonably fluent in Japanese, and in Japanese customs and manners. (Some such persons are ethnic Japanese but most are not.)

Lavelle's witnesses establish that although some of his guides are temporary employees, they receive good training and are carefully screened to assure adequate fluency in Japanese, and adequate understanding of Japanese manners. The guide witnesses were of the opinion that the tourists' attitude toward them is positive and that they prefer Japanese-speaking Americans as guides because they will know more about the attractions and about California in general, and will be able to answer questions (which are frequently asked) about U.S. traditions, history, customs, etc. much better than native-born Japanese who are relatively new to California.

While Pacifico has demonstrated the high quality of its own guide program, Lavelle's is also of high quality, even though some of Lavelle's guides are temporaries. Differences in hiring

policies reflect management style. Pacifico has failed to demonstrate any inadequacy in Lavelle's guide personnel, and in our opinion the application must be decided on issues other than quality of personnel.

Other Fitness Issues

Lavelle introduced certain evidence which he claims demonstrates that Pacifico attempted to interfere with his tour business. Pacifico introduced certain matter in rebuttal. The record certainly demonstrates bad feeling between Pacifico and Lavelle. The incidents are not serious enough to warrant a finding of unfitness and it is not in the public interest for the application to be decided on this evidence.

Lavelle lastly maintains<sup>7/</sup> that Pacifico is unfit because it previously conducted passenger stage service without a certificate. The record in C.10732 demonstrates (as is shown in D.92455) that Pacifico believed in good faith that passenger stage service was not involved. Since D.92455 it has complied with Commission orders.

In our opinion the question of whether this application should be granted must turn not on fitness issues but on public need for the proposed routes.

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<sup>7/</sup> Lavelle represented himself and filed no briefs. However, we assume he still places in issue the various subjects raised at the hearings. We believe Pacifico's contention to the contrary (Pacifico's closing brief, pp. 7-8) to be frivolous, considering Lavelle's vigorous advocacy of his views during the entire proceeding.

#### IV. NEED FOR THE SERVICE

##### Question Presented

The essential issue concerning public need is whether a ground operator such as Pacifico must manage and control its own tailor-made passenger stage service to fulfill the needs of its tour groups, or whether Pacifico's customers can be served satisfactorily by existing passenger stage corporations.

##### Pacifico's Presentation

Demand for optional tours is extensive. Their availability, according to Pacifico, is responsible in part for JCT tours' popularity. JCT publicity in Japan promotes the availability of the optionals in California and elsewhere.

For almost ten years, JCT has functioned as a major tour wholesaler; it presently occupies about 10% of the Japanese overseas group tour market. Between 1977 and 1979, visitors to San Francisco on JCT package increased from 11,168 to 22, 210 (Exh. 77). About 40% of all JCT package tour group members visiting San Francisco took at least one optional tour. (D.92455, prop. rept. p. 11.) More recent evidence in the application phase of the proceeding showed a growth in popularity of optionals. During the first half of 1980, about 59% of San Francisco tour group members and about 83% in Los Angeles participated in at least one optional tour (Pacifico op. br. p. 31.)

Pacifico believes the market will continue to grow. Pacifico's witnesses Ueno and Nishio both pointed out that our group members from Japan look to the tour group operator to furnish optional tours or to forego extra excursions entirely rather than purchase transportation from carriers catering to the general public (Tr. 2079; 2238-39).

The practice of offering optional tours is standard among ground operators.

Pacifico presented public witnesses who are bus operators, owners or managers of restaurants or tourist attractions, and certain other persons in support of the service. Those operating restaurants and attractions testified to the efficiency of the tour guides and their insistence on a high standard of service. At restaurants, for example, while special Japanese food is not served, Pacifico arranges for certain condiments or other items to be added to the meals.

Certain operators of charter-party services which furnish buses and drivers for Pacifico support the application, and testified to substantial loss of revenues during the period of suspension of the optional tours (as a result of D.92455). One restaurant owner from Monterey testified that about 10% of his entire business was due to visits by Pacifico's optional tour groups.

According to Pacifico, in order to maintain its high standard, it needs the degree of management and control over all phases of the optional tours that is possible only through obtaining its own passenger stage certificate. In this way, it has flexibility in selecting buses and in determining schedules. It may insure the high standard of the restaurants and other facilities it uses, or decide on its own to change if necessary. Pacifico cites the example of the cafeteria at Yosemite which (according to a representative from Yosemite Park and Curry Co., who testified for Pacifico) is frequently overcrowded and confusing to persons who do not speak English. For this reason, albeit at an additional charge, Pacifico will include lunch at the Ahwahnee Hotel.

Pacifico's president, Takigawa, laid particular emphasis on the need for selecting equipment among more than one charter-party carrier which it will be able to do with its own certificate (as is now the case with Lavelle and O'Connor). Otherwise, if protestants prevail, Pacifico will be locked into accepting equipment



and drivers from the certificate holder, regardless of any deterioration in quality. (Or, assuming a certificate holder such as Lavelle or O'Connor, who own or lease no equipment, hold the certificate for a desired route, a nonessential middleman is introduced.)<sup>8/</sup>

Pacifico's supporting passenger bus witnesses point to their flexibility in providing equipment and the fact that they can pool equipment if necessary. For example, James A. Drucker, president of Franciscan, testified that during busy periods, Franciscan can accommodate 60 to 70 bus trips in a day (using some of 31 available buses twice). Drucker said that there are a total of about 140 charter buses in the San Francisco area. Drucker supports the application although Pacifico also charters buses from Eastshore and Falcon. He testified that he favors Pacifico's ability to choose among carriers. Drucker also serves some of Pacifico's competitors and he stated that since the order in D.92455 his monthly revenues had decreased by about \$30,000. He believes tour companies should be able to arrange their own tours and that tours such as Gray Lines, for the general public, will not satisfy the Japanese tourist.

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<sup>8/</sup> Pacifico most emphatically does not want to lease or purchase its own equipment and hire its own drivers because management believes its ability to concentrate on servicing its tour groups would be weakened. Except on Guam, Pacifico has never owned or leased its own buses.

Presentation of Protestants

All protestants originally stressed that some of Pacifico's principal routes<sup>9/</sup> are identical or nearly so, to theirs and that service differences are minor. By the end of the hearings (and without abandoning that argument) the two large equipment-owning protestants' principal point was that with all of Pacifico's volume, it could write its own ticket. Pacifico's guides would be permitted to be in charge of the tour; Pacifico could pick its favorite restaurants on the route and would not have to go through the passenger stage company to select menus, etc.; Pacifico could have its own exclusive buses with agreed upon minimum payments; departure and return times could be adjusted, and with adequate volume, route deviations would be applied for if necessary.

There was a volume of cross-examination of Pacifico's witnesses and those of Gray Line and Parlor Car concerning this issue. The testimony indicates that Pacifico's management never more than perfunctorily explored this alternative. The reason for this is unclear but judging from Pacifico's presentation as a whole, reluctance to consider this method even when a satisfactory route is available stems from the desire of Pacifico's management to have more than one source of equipment (cf. Drucker's testimony, supra) and concern that obtaining buses during peak season would be a problem.

All of the protestants (except Lavelle, who filed no briefs) devote considerable effort to analysis of recent Commission passenger bus cases, PU Code § 1032, and other code provisions.

We now will review the contentions of the individual protestants.

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<sup>9/</sup> Protestant's routes and Pacifico's proposed routes are not in all cases competitive. See discussion, infra.

Gray Line. Pacifico proposes a Three Bridge (East Bay-Marin) tour. It visits the Hilltop Shopping Center in Richmond, stops at Larkspur Landing for lunch, and does not visit Muir Woods. (Pacifico's testimony indicated that Muir Woods was not popular with Japanese tourists.) Gray Line goes through Richmond and could stop at Hilltop Center; it also has authority to go through Larkspur Landing and could stop there for lunch instead of Tiburon. Muir Woods could be deleted as a stop.

The only differences between Pacifico's proposed Monterey-Carmel tour and Gray Lines is that Pacifico's stops at the "Mystery Spot" near Santa Cruz, and the two tours use a different restaurant in Monterey.

Gray Line concedes that its Napa Wine Tour is different from Pacifico's but argues that Pacifico's tour is vague, and poorly conceived.

There are also comparisons of nightclub routes. We have stated earlier that night life tours are, in our opinion, not passenger stage service.

Parlor Car. Parlor Car's protest is restricted to its Yosemite tour from San Francisco. It holds authority to interline at Merced with the route of Yosemite Park and Curry Co. (Curry). Passengers remain on Parlor Car buses but Curry drivers take over at that point.

Parlor car points out that Pacifico's "high-quality tour" argument consists of four components: (1) first-class equipment, (2) professional drivers, (3) quality dining arrangements, and (4) Pacifico's own guides. The first two requirements are easily met by Parlor Cars' buses and drivers; dining arrangements may be made by Pacifico with the Ahwahnee hotel if this is desired, and Pacifico is free to use its own guides. Thus, in Parlor Car's opinion, the "high-quality tour" argument is illusory.

Parlor Car also questions the motivation of Curry, which (through its witness Thomas L. Williams) supported Pacifico's Yosemite route. Parlor Car points to the fact that when our cease and desist order went into effect, Pacifico shut down its very popular Yosemite route and made no effort to use Parlor Car even temporarily, in order to prompt Curry to support Pacifico's application to restore revenues lost when Pacifico's tour groups ceased to travel to Yosemite. Parlor Car emphatically maintains that at all times, it had (and has) the quality and quantity of equipment to carry all of Pacifico's optional Yosemite Tours.

O'Connor. The briefs of this protestant contain general argument about entry standard under PU Code § 1032. Referring to the March 11, 1981 letter outlining O'Connor's protest<sup>10/</sup> O'Connor states that Pacifico's Tours 2 (Three Bridge Tour), 3 (Mystery Spot-Monterey-Carmel), 5 (Napa Wine Country), and 6 (San Francisco Night Tour) conflict with O'Connor's authority.

Lavelle. This protestant, on behalf of his tour company, Dolphin Tours, was principally responsible for raising fitness issues, discussed elsewhere.

Dolphin presently holds passenger stage authority to conduct Japanese-narrated<sup>11/</sup> sightseeing tours. This includes routes to Yosemite. Monterey-Carmel-Mystery Spot, Marine World-Great America, a tour including certain San Francisco points and U.C. Berkeley, another including U.C. Berkeley, Muir Woods and Sausalito, and a California wine country tour. (See Exh. 3.)

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10/ Our revised protest rule requiring formal protests and specified grounds was not effective when A.58739 was filed. Therefore, at the PHC of March 4, 1981 the ALJ required the protestants to write letters substantively outlining their grounds for protest. These letters are part of the official file in this proceeding.

11/ Lavelle recently acquired certain temporary authority to conduct some tours bilingually or in English.

Much of Lavelle's cross-examination was devoted to Yosemite, the Monterey-Carmel-Mystery Spot tour, and Pacifico's Three Bridge tour, but Lavelle's principal contention is even if Pacifico's tours are not always duplicative of Dolphin's that Dolphin and other existing passenger stage services are capable of handling Pacifico's business, and if the Commission certifies Pacifico to conduct its own tours (and does the same for Pacifico's competitors) the market will become saturated and the existing passenger stage carriers will be locked out of a segment of the market. This effect will be severe in Dolphin's case since the company specializes in serving Japanese-speaking persons.

Lavelle cites testimony in the complaint phase of this matter (and more in the application phase) to show that Pacifico carefully shepherds its tourists in such a manner that they are a captive audience, thoroughly discouraged from seeking alternatives to Pacifico's optional tours. Lavelle considers such a business method undesirable and that we should consider this course of conduct when deciding whether to certify Pacifico.

SFO Airporter. This protestant did not file an opening brief, but filed a closing brief vigorously objecting to a reopening of the question of common carriage. (See Pacifico's opening brief, pp. 12-25.) We thoroughly considered common carriage in relation to Pacifico's optional tours in D.92455. Pacifico is free to raise this issue regarding its prepackaged tours separately in Lavelle v Pacifico, C.10935, in which a motion to dismiss is now pending.

#### Pacifico's Response to Protests

Certain routes (Hollywood Bowl Summer Concert; Dodgers night game) have not been the subject of specific route-by-route evidence, although some protestants still protest the entire application on across-the-board grounds. The following is a brief summary of Pacifico's responses to arguments relating to particular routes.

O'Connor. O'Connor's Tour 1 is a daytime sightseeing tour, which is different from Pacifico's San Francisco night tour. O'Connor's Tour 2, which includes Muir Woods, is distinct from Pacifico's Three Bridge Tour (described elsewhere). O'Connor's Napa Valley tour does not include the trip to Sacramento. Lastly, O'Connor's Carmel-Monterey tour does not include the "Mystery Spot," an attraction of particular interest to Japanese.

Parlor Car. Pacifico asserts that Parlor Car's certificate goes to Merced and not Yosemite and that actually Parlor Car has no authority to provide sightseeing service to Yosemite itself. Pacifico also cites the fact that until February 1981, Parlor Car ran three-day tours but no one-day tours to Yosemite. Thus such tours were not initiated until not quite two years after Pacifico's A.58739 was filed (March 4, 1979).<sup>12/</sup> Pacifico asserts

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<sup>12/</sup> In San Francisco Yosemite Tours 1 (A.57152, D.91927, June 17, 1980) applicant petitioned to modify its authority to interline with Curry in providing one-day sightseeing bus tours so that it could also offer one-night overnight tours. Parlor Car protested, introducing evidence on the quality of its tours similar to that presented here. Applicant countered by pointing out that Parlor Car was at that time (hearings were held October 30 and 31, 1979) offering only a three-day, two-night tour. Parlor Car's certificate contains a general statement of the route without specifying how many days and nights a tour must include. The petition for overnight service was denied on other grounds than Parlor Car's protest. We commented, "Parlor Car should not, however, regard its certificate as an ironclad grip on one night overnights when it is not running such a service. Non-use of part of a certificate may, under certain conditions constitute abandonment of that part (see discussion, Kadletz v. Gray Line Tours Co., CPUC \_\_\_\_\_, Decision No. 89804, December 19, 1978, Case No. 10601, and A.C. Cal Spanish Tour Service, CPUC \_\_\_\_\_, Decision No. 89945, January 30, 1979, Application No. 57371)."

that such eleventh-hour entry into the field of one-day service is no basis for invoking PU Code § 1032.

Gray Line. This protestant objects to all of Pacifico's proposed tours even though Gray Line has no Yosemite route. Pacifico considers Gray Line's position invoking the restrictive entry feature of PU Code § 1032 inconsistent with its A.60424, filed April 7, 1981 in which it seeks to compete directly against Parlor Car on a San Francisco-Yosemite route.

Pacifico points out that Gray Line acknowledged in its opening brief that its routes are not exactly what Pacifico wants; it would have to apply to modify its Carmel-Monterey route and its Wine Country Tour. Gray Line's Three Bridge tour and Pacifico's are different; Pacifico's includes the Hilltop Shopping Center, lunch at Larkspur Landing, a ferry ride from Sausalito to San Francisco and a visit to Pier 39.

#### Discussion

Few issues relating to public need for Pacifico's service are free from controversy. The application phase of this proceeding alone is voluminous, and opinions of the witnesses and parties are sharply divergent. We believe that based on our recent view of entry into the round-trip sightseeing field under PU Code § 1032,<sup>13/</sup> Pacifico is entitled to a certificate for its proposed sightseeing passenger stage service.

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13/ "Every applicant for a certificate shall file in the office of the commission an application therefor in the form required by the commission. The commission may, with or without hearing, issue the certificate as prayed for, or refuse to issue it for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted by the certificate such terms and conditions as, in its judgment, the public convenience and necessity require. The commission may, after hearing, issue a certificate to operate in a territory already served by a certificate holder under this part only when the existing passenger stage corporation or corporation serving such territory will not provide such service to the satisfaction of the commission."

All the protestants rely heavily on that part of § 1032 which regulates entry in a "territory" already served by an existing carrier. It must be shown that the existing passengers "will not provide the service to the satisfaction of the Commission" before another certificate for that territory may issue. Certainly it cannot be contended that the phrase "satisfaction of the Commission" establishes a uniform entry standard; that is impossible because types of service and "territories" are not all the same.

In determining how to apply § 1032, we have been faced in the last several years with a mushrooming demand for round-trip sightseeing service for tourists, a notable segment of which are Japanese nationals, most of whom visit California on package tours, although there is some growth in individual tourism (see D.92455, proposed report, pp. 2; 6-8). The record shows that in addition to growth in tourism, there is a divergence in destinations which tour groups visit. The variety of Pacifico's proposed routes are an example.

Confronted with this situation, we have dealt with the entry requirements of § 1032 vis-a-vis round-trip sightseeing somewhat differently from entry into the field of general through carriage of passengers. Thus, in Stuart A. Messnick (1977) 81 CPUC 370, we determined that the word "territory" in § 1032 includes the attractions as well as the route and that if no other service offers identical attractions, an applicant is entitled to a certificate for round-trip sightseeing even though another company runs a similar route. And in Golden Gate Sightseeing Tours, Inc., A.57095, D.90106 dated March 27, 1979, we stated:

"Orange Coast Sightseeing Co. (1969) 70 CPUC 479, the Commission determined that in situations where the requested service is dissimilar to that presently provided by the existing certificated carrier, and



there is no other service identical to that being proposed, the restrictive clause of Section 1032 is not applicable. Before examining the merits of Golden Gate's contention, we first note that the work "territory" as used in Section 1032, in the context of specialized sightseeing passenger stage operations, means the tours conducted; that is, the attractions which comprise the tours, not the mere route followed, or the area involved (Ray E. Evans and Ruth O. Evans, dba Tramway Transportation and Sightseeing Tours, Decision No. 85765 dated May 4, 1976 in Application No. 55981). Therefore, if the proposed attractions differ materially from those attractions already offered by the existing certificated carrier, the territory differs from that already served; and the so-called "restrictive element" of Section 1032 would not operate to bar additional certifications." (Slip opinion, p. 17.)

See also Tramways Transp. & Sightseeing Tours Co. (1976) 80 CPUC 1, and Gray Line Tours Co., (1973) 74 CPUC 669.

In O'Connor Limousine Service, Inc., A.56580, D.90154 dated April 10, 1979, applicant's routes were similar to those of a protestant, but included different features. We held that sightseeing is "less entitled to the strict territorial protectionism...which is necessarily accorded the 'natural' utility monopolies such as electric, gas, or telephone utilities." (Slip opinion p. 11.) We further stated:

"In the sightseeing field a policy of fostering limited competition under regulation would have a beneficial effect for the public interest in that it would tend to lead to development of a territory and improved methods, forms or routes of transportation, and would best meet special requirements of segments of the general public. Furthermore, it would tend to promote good service and to hold down fares. We believe that the competition of ideas and results is healthy, and accordingly we will look to the circumstances of each application in the sightseeing field to determine whether or not the public interest requires certification of that application. The granting or withholding of a certificate of public convenience and necessity is a legislative act which rests in the discretion of this Commission. The Commission may grant a number of certificates covering the same route or routes." (Slip opinion p. 11.)

See also Mexcursions, A.57763, D.90155 dated April 10, 1979, and American Buslines, Inc., A.58457, D.91279 dated January 29, 1980, in which we discuss generally our views of competition in the passenger bus field and the entry requirements of § 1032.

Applying these principles to this application<sup>14/</sup> we observe first that there is no specific protest to Pacifico's routes in Southern California. (Lavelle and other protestants still raise questions of fitness and the Commission's policies under § 1032, which concern the entire application, but none of the remaining protestants conduct routes in Southern California.) Since we have resolved the fitness issues in Pacifico's favor, the Southern California routes for which Pacifico applies may be granted. Pacifico's evidence demonstrates that it has adequate volume to sustain these routes, that it uses proper equipment, and that it conducts quality sightseeing service with well-trained guides and appropriate schedules.

In Northern California, Pacifico's Napa Wine Country and State Capitol tour is so markedly different from the wine tours of those protestants operating them that no lengthy discussion is necessary. None of the competing tours include the State Capitol and other points in Sacramento.

Pacifico's Three Bridges Tour should also be certified. As reviewed above, our recent cases on the subject of sightseeing service have considered the features and attractions offered on

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<sup>14/</sup> For reasons previously discussed, no further analysis of the wedding package, the nightlife tours, or the San Diego-Tijuana tour is necessary.

sightseeing routes, not just the roads and highways followed (Orange Coast Sightseeing, supra). Pacifico's route eliminates Muir Woods, not popular among Japanese tourists, includes a shopping center of interest to them in Richmond, and lunch at a restaurant found to be to their liking. Lastly, this proposed route includes a ferry ride from Sausalito to San Francisco and a visit to Pier 39.

The closest questions are presented by the Monterey-Carmel-Mystery Spot route and the Yosemite tour.

The Mystery Spot is apparently an attraction more popular with Japanese tourists than with most others. Pacifico's proposed route includes it, Gray Line's does not. Gray Line maintains it could easily obtain the necessary alternate authority to stop there for Pacifico's tours. Lavelle's route includes Mystery Spot. Pacifico's tour also includes a different restaurant, but Gray Line has stated that Pacifico could use the restaurant of its choice.

Regarding Yosemite, Pacifico stresses the fact that Parlor Car's route runs only to Merced, but the problem created by this is illusory. Parlor Car is a party to an interlining agreement with Curry; at Merced the passengers stay on the same bus and a Curry driver takes over. Other than that, the difference in the tour is that lunch at the Ahwahnee hotel is included. Lavelle's Yosemite tour also has other lunch arrangements.

Regarding Lavelle's routes to both locations, Dolphin Tours also hires equipment on a per-trip basis. Lavelle's certificate for Dolphin Tours is not restricted to van-sized vehicles, but he has principally (if not exclusively) used vans, and the record demonstrates that he has emphasized the personalized service available to his customers in his smaller-sized tours. Lavelle solicits most of his business from individual Japanese tourists.

Suppose we decide that because of Lavelle's route, Pacifico's application for its Yosemite and Monterey routes should be denied. If Pacifico were to choose the alternative of hiring Lavelle to serve these routes, his function would be as a mere conduit. Pacifico would order a bus from Lavelle; Lavelle would hire it from a charter-party carrier. Pacifico would also use its own guides (we see no reason to interfere with management discretion in this regard). Presumably, Lavelle would agree to Pacifico's departure times and restaurant selections.

No purpose is served by pyramiding functions in this manner, with attendant extra costs. We have certified non-equipment owning passenger stage companies, including Lavelle and O'Connor, so that they could perform certain specialized services suitable for this sort of carrier. We did not conceive this type of certification as creating a brokerage over a route, operating as a monopoly contrary to our interpretation of § 1032 regarding entry into the sightseeing field. We do not view Pacifico's entry in this manner.

Lavelle, certainly, is entitled to some protection for the particular type of tour he performs (and he has on two occasions been afforded it; see Sanae Tomovasu, A.58943, D.92083 dated July 29, 1980, and Joy-Tak, Inc. A.59096, D.92681 dated February 4, 1981). We would carefully scrutinize an application proposing the same routes, using the same size equipment, and soliciting individual Japanese tourists in the same territory for such service. (See our comments concerning market saturation in American Buslines, supra, and in Whippet Charter Service, Inc., A.60173, D.93650 dated October 21, 1981.) Pacifico's business is different from

Lavelle's. It caters to a large volume of group tours, and uses full-size buses. It does not solicit customers from the general public.<sup>15/</sup>

Nor do we agree with Lavelle that he is financially harmed by our action - at least not in the sense that he is deprived of any business he ever had. Our decision certainly affects his possible chances of absorbing some of Pacifico's existing business, but nothing is taken away from him; he never was referred any business by Pacifico. (Concerning Lavelle's argument that this is due to Pacifico's closed-shop methods of handling its tourists we believe legal issues relating to this problem - if there are any - are beyond our jurisdiction. Cf. discussion on this subject in Lavelle v JAL, supra.)

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<sup>15/</sup> Nor should it be required to do so for a certificate. We have already held in Lavelle v JAL, supra, that Pacifico's optional tours are common carriage, and this holding rests on our view that the members of the optional tours are themselves a segment of the public, albeit a specialized segment. More importantly, the entire thrust of Pacifico's presentation was that it wished to continue to serve the needs of JCT tour group members. Pacifico emphatically argues on brief that this is its purpose (opening brief, pp. 1-13). Its statement (brief, p. 8) that it "is not the intention of Pacifico to infringe upon the markets of, or divert customers from, existing certificate holders" is antithetical to its request that its certificate allow carriage of non-JCT persons on a space-available basis, and such transportation is unnecessary to Pacifico's financial success. We will restrict Pacifico to the carriage of JCT tourists.

Turning to the protests of Gray Line and Parlor Car, the evidence demonstrates that they offer clean, modern equipment and properly trained and experienced drivers, and that for the Monterey and Yosemite routes, equipment is available in sufficient quantity.

There are two differences between Gray Line's Monterey route and Pacifico's; the stop at Mystery Spot and the selection of a restaurant. These differences, while not as great as those for tours discussed previously, illustrate the purpose of our interpretation of § 1032 in the sightseeing field. Mystery Spot is more popular with Japanese sightseeing groups than with others; Pacifico wishes to serve this need. Pacifico has selected a restaurant that better suits its needs than Gray Line's. Gray Line could apply for a modified route, but we should not force this alternative on Pacifico rather than applying our policy of fostering limited competition under regulation for the benefit of the touring public. (Golden Gate Sightseeing Tours; O'Connor Limousine Service; Mexcursions, supra.)

The same may be said for Pacifico's proposed Yosemite route. A witness for Curry testified in its favor. There is no need to perpetually maintain an absolute monopoly on Curry's part from Merced to Yosemite; in fact this is no longer the case because Lavelle's chartered vans carry his passenger stage passengers directly to the Valley. We know of no reason why Yosemite cannot retain proper control of bus routes, parking, etc., through information furnished the drivers and through proper police control. Actually, this is already done because the many charter-party buses which go to Yosemite do not interline at Merced.

We believe that Pacifico should be able to maintain its high standards by selecting its own restaurant on the tour and

equipment from more than one source - including Parlor Car's, if it chooses. While Yosemite may present special problems regarding overcrowding, it will not be experiencing an influx of more buses if we grant this application because Pacifico's tours were going to Yosemite regularly before our cease and desist order.

We are willing to offer Parlor Car limited, but not absolute, protection regarding its Yosemite route. Parlor Car solicits business from the general public while Pacifico serves its own tour groups. In doing so, Parlor Car offered only a three-day, two-night tour until long after Pacifico filed its application, and until after our ruling in San Francisco-Yosemite Tours (see footnote 12).

The wisdom of allowing entry into the sightseeing field and of permitting limited competition is illustrated by this history. Furthermore, as we stated in Amador Stage Lines, A.59368, D.91954 dated June 17, 1980:

"We do not believe that the Legislature, in enacting Public Utilities Code Sections 1031 and 1032, intended us, in an application proceeding, to determine the public convenience and necessity under these sections, or whether the existing carrier 'serving such territory will not provide such service to the satisfaction of the commission' (Section 1032) without reference to when and under what circumstances the 'existing' carrier started, or augmented, its service. When the 'existing' carrier beefs up its schedules or revises its routes at the eleventh hour (most particularly after an application is filed) we may assume that the primary motivation behind such activity is to keep the competition out, rather than a positive desire to enthusiastically promote a new service. In such circumstances, it seems to us more likely that the applicant which carefully researched and developed the need for the new route or service will strive to keep it going in the face of difficulties, if any occur, and thus be more likely to 'provide such service to the satisfaction of the commission'."

We will issue Pacifico a certificate for its Yosemite route.

V. OTHER ISSUES

Lavelle has petitioned for a proposed report. In C.10732 a proposed report of the ALJ preceded the decision on the Commission's own initiative. Proposed reports are seldom issued because they lengthen a proceeding. C.10732 presented certain novel problems which deserved such treatment. In our opinion this application, however hard-fought it may have been, does not contain such new and different matter as to warrant a proposed report.

In order to issue this decision promptly, we will do so with tariffs containing lump-sum fares, as proposed by Pacifico. This is undesirable as a permanent method because passenger stage fares are regulated, and neither this Commission nor Pacifico can control the cost of restaurant meals, etc. We have considered non-transportation costs not to be part of the regulated fares. Unnecessary rate increase applications must be processed when the tariffs do not separate transportation and non-transportation components.

We will order that within 60 days Pacifico shall file amended tariffs separating such items as restaurant and nightclub costs, admissions, fares on other conveyances, etc., from cost of transportation, wages, overhead, etc. (We consider gratuities to hotel personnel, baggage handlers, etc. to be part of transportation). It is not necessary for Pacifico to segregate the detail of the costs in the tariffs but merely to indicate the transportation and non-transportation totals.



Findings of Fact

1. Pacifico is a Hawaii corporation qualified to do business in California. It functions as a ground operator for JCT as that term is explained in this decision.

2. Protestants are passenger stage carriers.

3. Pacifico seeks a certificate for the routes listed in the opinion section of this decision except for the San Diego-Tijuana route.

4. Pacifico does not serve the entire general public but only that segment of it which consists of JCT group tourists wishing to purchase optional bus tours to destinations not included in the original price of the group tour.

5. The "Wedding Package" and the nightlife tours are not passenger stage service.

6. Pacifico possesses the necessary financial and operational fitness and has ready access to sufficient bus equipment of good quality.

7. Adequate and continuing demand exists for the proposed routes.

8. Pacifico's Southern California routes are protested on fitness grounds only.

9. Pacifico's Northern California routes which are the subject of one or more specific protests offer distinctions from the closest comparable tours significant enough so that a certificate for them should be granted.

10. 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 require granting of the certificate of public convenience and necessity attached hereto as Exhibit A.

2. In order to avoid a suspension of Pacifico's operations, this decision should be effective today.

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. Pacifico is placed on notice that the grant of a certificate is subject to modification on the basis of the Commission's reexamination of round-trip sightseeing as passenger stage transportation.

ORDER ON REHEARING

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pacifico Creative Service, Inc., a Hawaii corporation, authorizing it to operate as a passenger stage corporation, as defined in PU Code § 226, between the points and over the routes set forth in Appendix A, to transport persons, and baggage for round-trip sightseeing purposes.

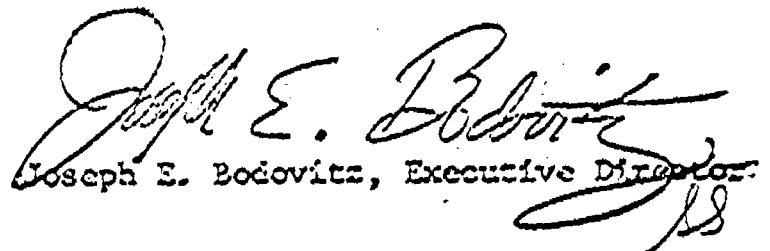
2. Applicant shall:

- 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 30 days after this order is effective.
- c. Comply with General Orders Series 79, 98, 101, and 104, and the California Highway Patrol Safety rules.

- d. Maintain accounting records in conformity with the Uniform System of Accounts.
3. This proceeding is closed.  
This order is effective today.  
Dated NOV 13 1981, at San Francisco, California.

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

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bodovitz, Executive Director

I/REF

Appendix A.

PACIFIC CREATIVE SERVICE,  
INC.

Original Title Page

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A PASSENGER STAGE CORPORATION  
PSC-1154

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

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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.

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Issued under authority of Decision 93725,  
dated NOV 13 1981, of the Public Utilities  
Commission of the State of California, in Application 58739.

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

Pacifico Creative Service, Inc., a Hawaii corporation, by the certificate of public convenience and necessity to operate as a passenger stage corporation granted by the decision noted in the margin, is authorized to transport passengers for sightseeing and pleasure trips between the City and County of San Francisco, or the City of Los Angeles, on the one hand, and certain named points, 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. All service authorized shall be limited to the transportation of round-trip passengers only.
- b. Service may be provided on a scheduled basis as reflected in the timetable filed with the Commission.
- c. All of the tours and special attractions shall be conducted in the Japanese language only.
- d. Service is limited to members of tours referred to Pacifico by Japan Creative Tours.

Issued by California Public Utilities Commission.

Decision 93725, Application 58739.

## SECTION II. TOUR DESCRIPTIONS - SAN FRANCISCO.

Tour - Description1 Yosemite National Park Tour

Commencing at passengers' San Francisco hotel, cross Bay Bridge, to Modesto via Highways I-80, I-580, I-5, and 132, then to Yosemite National Park via Highways 99 and 140, sightseeing and lunch in the Park, return to San Francisco hotel.

Tour2 Three Bridge Tour(a) Weekdays Except Holidays

Starting at passengers' San Francisco hotel, cross Bay Bridge to U.C. Berkeley campus via I-80 and University Avenue, then to Hilltop Shopping Center in Richmond, then to Larkspur Landing via I-80, Richmond Bridge, and Highway 101, sightseeing and hot lunch at Larkspur Landing, then to Sausalito via Highway 101, then to San Francisco Ferry Building via Golden Gate Ferry, passengers picked up at Ferry Building, then to Pier 39 before being returned to hotel.

(b) Weekends and Holidays

Starting at passengers' San Francisco hotel and providing a similar tour to that described immediately above but modified to adjust to weekend and holiday ferry schedules.

Issued by California Public Utilities Commission.

Decision 93725, Application 58739.

SECTION II. TOUR DESCRIPTIONS - SAN FRANCISCO. (Continued)

Tour

- 3 Mystery Spot, Monterey, Carmel  
Starting at passengers' San Francisco hotel to Mystery Spot via Highways I-280 and 17, then to Monterey via Highway 1, sightseeing and hot lunch in Monterey, then to Carmel via 17-mile Drive, sightseeing and shopping stop in Carmel, and return to San Francisco via Highways 1, 151, and 101.

Tour

- 4 Intentionally left blank.

Tour

- 5 Napa Wine Country, State Capital, Sacramento  
Starting at passengers' San Francisco hotel, cross Bay Bridge to Napa Valley via I-80 and Highways 37 and 29, tour of Napa Valley winery, then to Sacramento via Highways 29, 37, and I-80, see State Capitol and other attractions and return to San Francisco hotel via I-80 and Bay Bridge. (Operated principally October through March.)

Tour

- 6 Intentionally left blank.

Issued by California Public Utilities Commission.

Decision 93725, Application 58739.

SECTION III: TOUR DESCRIPTIONS - LOS ANGELES.  
FROM LOS ANGELES

Tour

- 7 Disneyland  
Starting at passengers' Los Angeles hotel via local streets and Santa Ana Freeway, sightseeing at Disneyland, and return to hotel.

Tour

- 8 Dodgers' Night Game  
Starting at passengers' Los Angeles hotel to Dodger Stadium via Pasadena Freeway, and return.

Tour

- 9 Intentionally left blank.



SECTION III. TOUR DESCRIPTIONS - LOS ANGELES. (Continued)

Tour

- 10 Knott's Berry Farm Tour  
Starting at passengers' Los Angeles hotel to Knott's Berry Farm via Santa Ana Freeway, then to Long Beach (Queen Mary) via Highway 91 and Long Beach Freeway, then to various attractions including Del Amo Shopping Mall via Ocean Boulevard, Vincent Thomas Bridge, Harbor Freeway, and Carson Boulevard, return to hotel via San Diego and Harbor Freeways.

Tour

- 11 Universal Movie Studio  
Starting at passengers' Los Angeles hotel to Universal Studios via Hollywood Freeway, Tour of Studio, return to hotel.

Tour

- 12 Intentionally left blank.

Tour

- 13 Hollywood Bowl Summer Evening Concert  
Starting at passengers' Los Angeles hotel to Hollywood Bowl via Highways 11, 101, and Highland for concert and return. (Tour to be operated during summer concert season, normally Independence Day to Labor Day).

Tour

- 14 Disneyland and Knott's Berry Farm Combination Tour  
Starting at passengers' Los Angeles hotel, then to Knott's Berry Farm via Highway 10, I-5, Knott Street, and La Palma Avenue, then to Disneyland via I-5 and Harbor Boulevard, return to Los Angeles hotel via Ball Boulevard, I-5, and Highway 10.