

Decision **PROPOSED DECISION OF ALJ DeBERRY** (Mailed 11/2/2005)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Silverado Stages, Inc. for Authority to Operate as a Passenger Stage Corporation Between Points in San Luis Obispo and Santa Barbara Counties and the Los Angeles International Airport and the Ports of San Pedro and Long Beach and to Establish a Zone of Rate Freedom.

Application 04-07-033
(Filed July 15, 2004)

(See Appendix A for Appearances)

**OPINION GRANTING AUTHORITY TO OPERATE
AS A PASSENGER STAGE CORPORATION**

Summary

This decision grants authority to Silverado Stages, Inc. (Silverado) to operate as a passenger stage corporation (PSC) between points in San Luis Obispo and Santa Barbara Counties (Counties) and points in Southern California. The authority granted to Silverado will establish a new scheduled passenger stage service between the Counties and the Los Angeles International Airport (LAX) and the Ports of San Pedro and Long Beach (Ports), and establish a Zone of Rate Freedom (ZORF) for passenger fares.

The authority granted today to provide scheduled passenger service is in a geographical area already served by carriers that have below-capacity loads on many scheduled trips during the year. We must therefore determine whether

there is a public need for the additional scheduled service without violating Pub. Util. Code § 1032(b),¹ which requires that the Commission find that existing carriers will not provide the same service before granting a new certificate to operate in the same territory. In the instant application our review of the new service indicates that it is differentiated from the existing service by different types of operating equipment and by providing new service to the Ports.

We recognize that granting this new authority may negatively impact existing carriers, however, as we have stated previously it is “our perception that the introduction of reasonable competition tends to keep fares low, promote efficiency, and encourage good service. Correspondingly, the need for regulatory oversight is greatly diminished, because it is replaced by the introduction of consumer choice.”² We take this action today to provide reasonable competition.

Procedural Background

Silverado filed Application 04-07-033 (Application) on July 15, 2004. Central Coast Shuttle, Inc. (CCS), Santa Barbara Airbus (Airbus) and American Star Tours (AST), competing passenger stage carriers (collectively, protestants), argue that granting Silverado’s requested authority would result in unnecessary competition, damage existing carriers, and harm public convenience and necessity.

The Assigned Administrative Law Judge (ALJ) convened a prehearing conference (PHC) on November 8, 2004 in San Luis Obispo. At the PHC, AST,

¹ All statutory references are to the California Public Utilities Code, unless otherwise noted.

² Decision (D.) 00-06-073 (June 22, 2000), *mimeo*, p. 12.

Airbus, and CCS expressed a number of concerns regarding competition, the financial ability of Silverado to provide the requested PSC service, and the nature of the service proposed by Silverado. As neither Silverado, nor the protestants were familiar with Commission rules and practices, nor represented by attorneys, the ALJ referred parties to various Commission publications and the Commission's website as sources of information. The ALJ also recommended that parties discuss participation in Commission proceedings with the Public Advisor's Office.

On November 22, 2004, an Assigned Commissioner's Ruling and Scoping Memo established the category, scope and schedule for the proceeding. This schedule proposed the filing of intervenors' testimony February 7, 2005, the filing of rebuttal testimony February 22, 2005, evidentiary hearings beginning March 21, 2005, and proposed submittal in May, 2005. However, following a series of motions³ regarding discovery issues and resolution through ALJ rulings, intervenors' testimony was filed March 11, 2005, and Silverado's rebuttal testimony was filed May 20, 2005. Evidentiary hearings were held June 1-2, 2005 and June 23, 2005. On July 29, 2005, Silverado filed a Motion to Amend Application requesting that the balance sheets included in its original Application be replaced with corrected balance sheets.⁴

³ All motions not otherwise ruled on are denied.

⁴ This motion is unopposed and is granted. The corrected balance sheets attached to Silverado's Motion were previously provided to parties on January 21, 2005, in response to a January 18, 2005 ALJ Ruling.

Silverado, CCS, Airbus and AST filed opening briefs and reply briefs on July 28, 2005, and August 11, 2005, respectively. The matter was deemed submitted on August 11, 2005.

Background

Silverado's proposed PSC service area is comprised of San Luis Obispo and Santa Barbara Counties on the Southern California Coast, an area that is a mixture of urban, recreational, military and agricultural land uses. These two counties, with an estimated population of 600,000, rely primarily on the automobile for transportation along the Highway 101 corridor to access the Los Angeles International Airport (LAX) and the cruise harbors in Long Beach and San Pedro. Silverado currently holds Commission authority to operate as a charter party carrier.⁵ Silverado proposes to provide a single line run daily beginning at the San Luis Obispo Airport and continuing through Santa Barbara to LAX and the Ports. The return trip begins at the Ports and returns to LAX, then back through Santa Barbara to San Luis Obispo.

Airbus holds authority to provide round-trip service between the Santa Barbara area⁶ and LAX. Airbus indicates it provides 7 trips in each direction daily, and has been operating since 1983. Airbus uses 47-passenger MCI buses and its bus fleet varies from 5 to 24 years old, with the average age being about 17 years.⁷

⁵ Silverado holds authority under PSG-9069.

⁶ Airbus stops in the cities of Goleta, Santa Barbara and Carpinteria to pickup passengers.

⁷ Exhibit 2, Attachment S-13.

CCS is allowed to make “flag-stops” in Santa Barbara, and round-trip scheduled service from Santa Maria to LAX. CCS began scheduled service in 2001⁸ and offers 5 trips in each direction daily, using 10 passenger vans and one 15-passenger bus. CCS vehicles are from 1 to 5 years old.⁹

AST has authority to conduct scheduled bus service in both Santa Barbara and San Luis Obispo Counties.¹⁰ AST holds authority to provide service to the Long Beach and San Pedro Harbors, however, the record does not indicate AST is currently operating this service.

Alternative transportation to LAX and the Long Beach and San Pedro harbors from Santa Barbara and San Luis Obispo counties includes rental cars, for-hire limousines, charter buses and an on-call shuttle service from Santa Barbara. Amtrack service is not considered to be an alternative as it does not serve either LAX or the Ports. In addition, during the past 20 years other competing bus services have operated for short periods of time in the Santa Barbara area.

Discussion

In D.00-06-073 (pp. 11-12) we stated our policy for granting new PSC authorities:

“Section 1031 requires every PSC to obtain from this Commission a certificate of public convenience and necessity (CPCN) declaring that public convenience and necessity require its operation before it may initiate service over any public highway in California. If a carrier already possesses a

⁸ See, D.00-04-006.

⁹ Exhibit 2, Attachment S-39.

¹⁰ See, D.01-04-018 and D.05-02-019.

CPCN but desires to expand its authority to include a new type of service, it must also obtain our authority to do so. Under Section 1032(a), we may grant the authority as requested, refuse to issue it, or issue it to allow partial exercise of the requested authority. We may also attach terms and conditions to its exercise that, in our judgment, public convenience and necessity require. Section 1032 (b) places an ostensible limitation upon the issuance of a CPCN where a territory is already served by a certificated PSC. In such circumstances the statute requires that we only issue the CPCN when we find, after a hearing, that the carrier serving the territory will not provide service to our satisfaction. However, two decades ago the Commission declared that monopoly service in the face of an application by an aspiring competitor is not satisfactory to us as a matter of policy (American Buslines, Inc., 3 CPUC2d 246 (1980).) The underlying basis for this policy, which has the effect of prospectively rendering service by a sole carrier unsatisfactory *per se* whenever confronted by a competing application, is our perception that the introduction of reasonable competition tends to keep for regulatory oversight is greatly diminished, because it is replaced by the introduction of consumer choice.

We would add the qualification, suggested by dicta in American Buslines, that the market must also reasonably appear to be able to support one or more new competitors before we consider the service of the incumbent to be unsatisfactory. With this sole exception, however, we have made our preference for competitive markets clear”

As further discussed in D.00-06-073,¹¹ we stated that differentiation of services offered by competitors gives customers choices they would otherwise lack if only one carrier operated a particular franchise. Furthermore, a

¹¹ See, pp. 13-15.

PSC carrier has its own equipment and facilities, and uses public streets and highways, and therefore is not faced with any impediment to direct customer access. Allowing competition among these transportation carriers presents no open access issue.

Finally, the evolution of our present policy as discussed in Re Regulation of Passenger Carrier Services, 33 CPUC2d 5 (1989) is a recognition that ground transportation markets have opened up to new entrants in the past three decades, and competition has developed between similar and alternative services. These changes are responsive to the demands of the public for new modes of transportation. We do not anticipate that this policy will change or return to the monopoly service provided by tightly regulated passenger stage carriers.

Silverado's proposed single passenger one-way fares range between \$36 and \$68. It requests authority to establish a ZORF of \$8 above and \$10 below the proposed fares. Silverado will compete with other PSCs, taxicabs, limousines, public transit, and private automobiles in its service area. This highly competitive environment should result in Silverado pricing its services at a reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Public Need for Ground Transportation Proposed by Silverado

Airbus, AST and CCS argue that they already provide sufficient service, and there is no public demand for the service contemplated by Silverado. CCS explains that it currently operates at 24% of its total passenger capacity, between

Santa Maria and LAX.¹² AST and Airbus did not provide similar capacity figures, but argue that current passenger totals will be reduced if Silverado's Application is granted, leading potentially to a loss of service. Airbus and AST also argue that Silverado has not demonstrated a public demand for its service, but rather relies on statements and letters from travel agents. Furthermore, Airbus and AST contend there is no real demand for bus transportation to the Ports, and that such transportation is available when needed in an on-call basis.

Silverado points out that its inquiries of travel agents are similar to methods used by AST to determine public need. In addition, Silverado contends it would serve a greater population base, and operate the only scheduled service to the Ports.¹³

We have previously stated that it is in the public's interest to permit new competition, although we have also recognized that permitting a new entry into an established market will almost certainly result in the initial diversion of some passengers and corresponding loss of revenue to existing carriers.¹⁴ In this record, no party quantified the maximum level of demand for scheduled passenger service in the Counties either to LAX or to the Ports, although using current Airbus passenger figures and estimates of the population served, Silverado calculates that as many as 9,200 passengers monthly might travel by

¹² Exhibit 5, p. 2.

¹³ Although AST has authority to provide service to the Ports, this service is not apparently not yet established, and currently is provided on a request basis. (TR331-332).

¹⁴ See, D.00-06-073, p. 16.

bus from areas north of Santa Barbara to LAX alone.¹⁵ Silverado adds that cruise passengers would increase this number.

While AST disputes this estimate, no other estimates of the maximum demand for PSC service were provided. Instead, protestants focused on potential losses in existing passengers and the potential losses in revenues. Unfortunately, this analysis assumes that the service pattern now operated, which meet the needs of existing travelers, will continue to be the norm. It does not acknowledge the prospect of future growth nor the existence of diverse new markets, such as a scheduled service to the Ports.

Furthermore, Silverado proposes to provide service using new buses equipped with satellite television, and other amenities.¹⁶ Although we recognize that this is a proposed service using equipment not yet available, and initially Silverado will use existing equipment,¹⁷ we also note that Silverado proposes slightly higher fares than its competitors.¹⁸ Thus, the proposed competition will include new equipment and different fares. This differentiation in services provides the public different options and contributes to consumer choices. As in all competitive markets¹⁹ trial and error, and the pricing of these choices will

¹⁵ Silverado's estimate is based on a population north of Santa Barbara of 403,000 times the current percentage (2.29%) of Santa Barbara's population carried by Airbus (Exhibit 2, p.8). However, it is unclear what portion of Airbus' passengers drive significant distances to the Airbus pick-up locations.

¹⁶ TR 13, and 232-233.

¹⁷ Silverado expects to use buses built in 2006. (Exhibit 2, p. 5.)

¹⁸ Fares may be reduced or increased under ZORF.

¹⁹ We note that the competition between Silverado and CCS, AST and Airbus will occur on different segments of Silverado's line run from San Luis Obispo through to the port of San Pedro.

determine which options truly meet the public need and which do not, but if a qualified operator desires to compete in a market and offer different services it should be allowed to do so, and the established carriers must adapt to the challenge. We note that Silverado will compete with Airbus, AST and CCS in different portions of San Luis Obispo and Santa Barbara Counties, as Silverado's proposed service includes territories currently served by each of the competing carriers.

We conclude that there is a public need for new scheduled service in the San Luis Obispo and Santa Barbara Counties transportation market to serve LAX and the Ports, and that the differences in proposed services and the new service to the Ports are such that the market would apparently be able to support a new entrant. It is entirely possible that we are wrong, and that one or more competitor either from San Luis Obispo or Santa Barbara Counties might falter as a result of the new competition. We recognize that uncertainty is a hallmark of the competitive marketplace, but we see competition as a far better mechanism for guiding our decisionmaking than the traditional regulatory model under which we regulate service quality and availability. Although the transition to open competition is not without growing pains, the public benefits in the long run through the availability of different service choices and prices.

We note that Airbus, AST and CCS provide adequate service in the regulatory sense upon their records of customer satisfaction, existing fares, equipment and service patterns. Furthermore, as all three protestants have pointed out, their vehicles have consistently had excess capacity. However, this fact appears to indicate that, after several years of occupying the marketplace in a particular area, Airbus, AST and CCS have not embraced new strategies for providing service or increasing demand for service. Although AST now has

authority to serve the Port of Long Beach, and CCS and Airbus have provided service to the Ports using an on-call service, permitting Silverado to provide a scheduled service to LAX and the Ports provides the public with an option that connects all destinations.

We are not aware of significant consumer complaints for the periods AST, Airbus and CCS served their respective markets in the Counties, and despite attempts by other service providers, we have no reason to disturb the status quo. But circumstances are changing, and the “satisfaction” standard in § 1032(b) is a subjective one, allowing us to change our policy in response to new developments and an opportunity to provide a different service to the public. Furthermore, § 1032(b) states that the Commission may issue a certificate “..when the existing passenger stage corporation or corporations serving the territory will not provide that service to the satisfaction of the commission.” As explained by Silverado, this is an upgraded service at higher rates than provided by existing carriers.²⁰ Thus, the current services operated by Airbus, AST, and CCS are not satisfactory as these services do not include the upgraded service proposed by Silverado. Now that a new competitor has proposed to provide this service it would be inconsistent with the essence of § 1032(b) not to allow a new competitor, and inconsistent with our policy as we have construed it in American Buslines.

As we stated in D.00-06-073²¹ an airport ground carrier can no longer assume that its franchise is forever secure merely by operating service at an

²⁰ In the Santa Barbara territory, where Silverado would compete with Airbus, Silverado’s proposed rates exceed Airbus, except in one instance. (TR 233.)

²¹ See, p. 20.

adequate level. The modern market place demands- and deserves-more. The principles we articulated in D.00-06-073, and American Buslines are still viable. We conclude that there is a public need for the services proposed by Silverado, and that trial and error should determine what types of service will earn the greatest public acceptance in this market.

Qualifications of Silverado

As delineated in the Commissioner's Ruling and Scoping Memo we now address the issue of whether Silverado is financially and operationally fit to provide the scheduled service it has proposed.

Silverado seeks to implement a single line run beginning at the San Luis Obispo Airport and continuing through San Luis Obispo and Santa Barbara Counties to LAX, the San Pedro cruise terminal and ending at the Long Beach-Catalina/cruise terminal. A return run would begin at the Long Beach-Catalina cruise terminal, and continue in the opposite direction through LAX and Santa Barbara County and end at the San Luis Obispo Airport. Silverado proposes to acquire a 2006 model Provest H3-45 or equivalent,²² although initial service will be made using existing Silverado equipment. Silverado currently operates a fleet of 23 buses, six of which currently provide service for Amtrack, while the remaining 16 provide charter bus service. Silverado proposes to use the charter buses as backup for its PSC service in the event the PSC bus cannot operate.²³ Although we do not know the cost of a new 2006 Provest bus,²⁴

²² Exhibit 2, p.5.

²³ *Id.*, p.9.

²⁴ The cost of a new 2006 bus was the subject of cross-examination, however an exact cost was not determined. (TR 133-134).

Silverado's November 2004 balance sheet, filed as an amendment to its Application, indicates Silverado has equity of approximately \$267,000 and income for the first eleven months of 2004 of approximately \$264,000, and equity of approximately \$154,000 and \$137,000 in 2002 and 2003, respectively. Consequently, Silverado appears qualified to finance or otherwise lease a bus to provide the proposed service.

We further note that Silverado has been operating for the past 15 years, and states it is the largest bus company in the area.²⁵ The California Highway Patrol has inspected all of the vehicles Silverado intends to use in its proposed service, Silverado's employees are covered by workers' compensation insurance, and Silverado's proposed drivers are enrolled in the California Department of Motor Vehicles Pull Notice Program.²⁶ Silverado also has a mandatory controlled substance and alcohol testing program.²⁷

We conclude that there are no matters regarding fitness or safety that should prevent Silverado from operating its proposed authority.

Proposed Fares

Silverado's proposed single passenger one-way fares range between \$36 and \$68. It requests authority to establish a ZORF of \$8 above and \$10 below the proposed fares. Silverado will compete with other PSCs, taxicabs, limousines, public transit, and private automobiles in its service area. This highly competitive environment should result in Silverado pricing its services at a

²⁵ TR 111.

²⁶ See, California Vehicle Code, § 1808.

²⁷ See, California Pub. Util. Code, § 1032.1.

reasonable level. Many other PSCs have been granted ZORFs. The requested ZORF is generally consistent with the ZORFs held by other PSCs.

Conclusion

For all of the foregoing reasons, we grant the application of Silverado for authority to operate as a passenger stage corporation and to establish a ZORF as requested.

Comments on Proposed Decision

The proposed decision of ALJ Bruce DeBerry in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(d) and Rule 77.1 of the Rules of Practice and Procedure. Comments were filed by _____.

Assignment of Proceeding

Susan P. Kennedy is the Assigned Commissioner and Bruce DeBerry is the assigned ALJ in this proceeding.

Findings of Fact

1. Silverado requests authority to establish a ZORF of \$8 and \$10 below the proposed fares shown in Exhibit C of the application.
2. Silverado will compete with PSCs, taxicabs, limousines, public transit, and private automobiles in his operations. The ZORF is fair and reasonable.
3. Silverado currently holds authority to operate as a charter party carrier.
4. Airbus holds authority to provide round trip service between points in Santa Barbara County and LAX, and has been operating since 1983.
5. Airbus uses buses with an average age of about 17 years.
6. CCS has been providing scheduled service between Santa Maria and LAX since 2001, and operates mostly vans with an average age of one to five years.
7. AST holds authority to operate scheduled service in the Counties, and recently received authority to operate service to the Ports.

8. The record does not indicate whether AST currently provides any service to the Ports.

9. Alternative transportation to LAX and the Ports includes rental cars, for-hire limousines, charter buses and an on-call shuttle service from the Counties.

10. Amtrack is not considered as an alternative means of transportation as it does not provide service to LAX or the Ports.

11. No party quantified the maximum demand for service in the Counties, but Silverado estimates that as many as 9,200 passengers monthly might travel by bus from areas north of Santa Barbara to LAX.

12. Although Silverado proposes to use existing buses for its initial service, Silverado expects to provide service using a new 2006 bus equipped with satellite television and other amenities.

13. Silverado proposes to charge slightly higher bus fares than currently charged by existing carriers.

14. Silverado requests authority to establish a ZORF of \$8 above and \$10 below the proposed fares shown in Exhibit C of the Application.

15. Silverado will compete with PSCs, taxicabs, limousines, public transit, and private automobiles in his operations. The ZORF is fair and reasonable.

16. Silverado will compete with AST, Airbus and CCS in different portions of the Counties since Silverado's proposed service runs through each of the territories currently served by AST, Airbus and CCS.

17. There is a public need in the Counties for the new scheduled service proposed by Silverado.

18. The current service provided by Airbus, AST and CCS in their territories is adequate based on customer satisfaction, equipment and fares.

19. Silverado currently operates a fleet of 23 buses providing charter service and Amtrack service that are also available to provide backup for Silverado's proposed PSC operation.

Conclusions of Law

1. Section 1032(b) does not preclude the granting of a certificate of public convenience and necessity to a competitor offering different listed services and pricing in the same territory.

2. There is a public need for competitive scheduled passenger stage services between the Counties and LAX and the Ports.

3. Silverado's Application should be granted to the extent provided in the order.

4. Silverado's request for authority to establish a ZORF for this service should be approved.

5. All motions not previously ruled on should be denied.

O R D E R

IT IS ORDERED that:

1. Applicant is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$8 above and \$10 below the proposed fares shown in Exhibit C of the application.

2. Applicant shall file a ZORF tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF shall expire unless exercised within 120 days after the effective date of this order.

3. Applicant may make changes within the ZORF by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff

shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

4. In addition to posting and filing tariffs, Applicant shall post notices explaining fare changes in his terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

5. A certificate of public convenience and necessity (CPCN) is granted to Silverado Stages, Inc. (Applicant) authorizing it to operate as a passenger stage corporation (PSC) as defined in Pub. Util. Code § 226, between the points and over routes set forth in Appendix PSC-9069, subject to the conditions contained in the following paragraphs.

6. All services operated to an airport pursuant to this order shall comply with the rules and regulations of the airport's governing authority.

7. Applicant shall operate services pursuant to authority granted herein in such a manner as to avoid conflict with any other operator. In order to ensure that conflict does not occur, Applicant shall comply with the following conditions:

- a) Vehicles shall be prominently marked to identify the operator.
- b) Each driver, and the company by whom he or she is employed, shall be readily identifiable, and shall be clearly distinguished from others through the use of caps, badges or uniform apparel, or any combination thereof, which enable passengers to make such identification and distinction.
- c) Except as directed by governing authorities at the airports and the ports at Long Beach and San Pedro, pick-up locations for passengers shall not be the same locations as currently utilized by American Star Tours, Santa Barbara Airbus, and Central Coast Shuttle, Inc.

8. 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) Maintain accounting records in conformity with the Uniform System of Accounts.
- e) Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 4303 when notified by mail to do so.
- f) Comply with Pub. Util. Code §§ 460.7 and 1043 relating to workers' compensation laws of this State.

9. Before beginning service to any airport, an applicant shall notify the airport's governing body. Applicant shall not operate into or on airport property unless such operations are also authorized by the airport's governing body.

10. Applicant is authorized under Pub. Util. Code § 454.2 to establish a zone of rate freedom (ZORF) of \$8 above and \$10 below the proposed fares shown in Exhibit C of the Application.

11. Applicant shall file a ZORF tariff in accordance with the application on not less than ten days' notice to the Commission and to the public. The ZORF shall expire unless exercised within 120 days after the effective date of this order.

12. Applicant may make changes within the ZORF by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

13. In addition to posting and filing tariffs, Applicant shall post notices explaining fare changes in his terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

14. Application 04-07-033 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

APPENDIX A
List of Appearances

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(END OF APPENDIX A)

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-9069

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

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

Issued under authority of Decision _____,
dated _____, of the Public Utilities Commission
of the State of California in Application 04-07-033.

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

Silverado Stages, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to transport passengers and their baggage on a scheduled basis between the points described in Section II, over the route described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- A. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- B. Service will be operated only at the points described in Section II. A description of all the stop points and the arrival and departure times from such points shall be indicated in the timetable filed with the Commission.
- C. This certificate does not authorize the holder to conduct any operation on the property of any airport unless such operation is authorized by the airport authority involved.

SECTION II. SERVICE AREA.

- A. San Luis Obispo County Airport
- B. City of Pismo Beach
- C. Santa Maria Airport
- D. City of Buellton
- E. Santa Barbara Airport
- F. Santa Barbara Amtrak Station
- G. Los Angeles International Airport
- H. San Pedro Harbor
- I. Long Beach Harbor

SECTION III. ROUTE DESCRIPTION.

Commencing from San Luis Obispo County Airport, then over the most convenient streets and highways to the other points named in Section II.