

Decision No. 29732

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC STEAMSHIP LINES, LTD., for)
order granting temporary suspension) Application No. 20789.
of freight services.)

WAKEFIELD, Commissioner:

FOURTH SUPPLEMENTAL OPINION

By Decision No. 29181 of October 13, 1936, and by first and second supplemental orders in the above entitled proceeding, Pacific Steamship Lines, Ltd., operating under Section 77-B of Article VIII of the Acts relating to Bankruptcy and having on file with the Commission tariffs naming rates for the transportation of freight by vessel between San Francisco Bay ports, Wilmington and San Diego, was authorized to suspend its freight service until March 31, 1937.

By its supplemental application filed March 27, 1937, applicant alleged that labor and other conditions prevented profitable operation of freight service on and after March 31, 1937, and requested an order authorizing it to suspend service until May 1, 1938. It represented that conditions surrounding the operation were substantially the same as those obtaining when the previous authorities were granted. Under these circumstances and in view of the fact that time did not permit the holding of a public hearing before the expiration of the period of suspension applicant was authorized further to suspend its freight operations until June 30, 1937. The matter was, however, set for public hearing for the purpose of determining what, if any, further suspension should be authorized. This hearing was had on April 14, 1937.

During the hearing applicant's counsel stated that applicant will be required to file with the United States District Court a plan of reorganization which must be approved by its creditors and stockholders before intrastate freight service may be resumed, and that due to the legal proceedings involved, it is not believed that the reorganization can be completed in time to permit operation prior to May 1, 1938. Moreover, the record shows that conditions surrounding this operation have not improved materially since service was first suspended.

Ordinarily repeated and lengthy suspensions of service are not in the public interest. However, under the circumstances here and in view of the apparent impracticability and impossibility of resuming service under existing conditions, I am of the opinion that this application should be granted, but that applicant should be placed on notice that it will be expected on or before the expiration of the period of suspension herein authorized either to resume its service or relinquish its operative rights.

The granting of this application will not deprive the public of means of transportation, as the territory is served by other carriers. These carriers have been informed of applicant's proposal and have offered no objection.

I recommend the following form of order:

O R D E R

A public hearing having been held in the above entitled application, and the matter having been submitted,

IT IS HEREBY ORDERED that the Pacific Steamship Lines, Ltd., be and it is hereby authorized to suspend its freight service until May 1, 1938, provided applicant promptly supplement its tariffs on file with the Commission to show that its service has been further suspended as authorized herein.

This order shall become effective on the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

. Dated at San Francisco, California, this 3rd day of May, 1937.

Malcolm F. Brown
Leon O. Whitely
Frank R. Miller
Frank A. W. Smith
Carl E. Riley
Commissioners.