

Decision No. 40423

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of EDWARD MARTIN, doing business)
under the firm name and style of)
"GUADALCANAL BUS COMPANY", and)
CITY OF VALLEJO, a Municipal)
Corporation, to purchase the)
automotive service of the)
GUADALCANAL BUS COMPANY for the)
common carrier transportation of)
passengers in the Township of)
Vallejo, County of Solano, State)
of California.)

Application No. 2849^a**ORIGINAL**

In the Matter of the Application)
of EDWARD MARTIN, doing business)
under the firm name and style of)
"GUADALCANAL BUS COMPANY", for)
authority to immediately terminate)
service pending approval and)
completion of a proposed sale,)
Vallejo, Solano County.)

Application No. 28499

O P I N I O N

Applicant Edward Martin conducts a passenger stage operation between the business center of the city of Vallejo and a housing unit known as Guadalcanal Village situated adjacent to the city to the north of Tennessee Street and west of State Highway Route 29. (1)

The City of Vallejo operates the local transportation system serving the city and the populated areas adjacent thereto. One of the municipal lines serves the Guadalcanal Village in competition with the Martin system.

In Application No. 2849^a authority is sought to sell the Martin system to the City of Vallejo. The terms of the purchase agreement are set forth in a statement attached to the application. The consideration is shown to be \$19,700. The sale price includes

(1) This operation was authorized by the Commission's order of its Decision No. 38304, dated October 16, 1945, in Application No. 26982.

(2)
three buses. The agreement provides that the City will take possession of the transportation system as soon as proper authority is obtained and the city ordinance permits, which requires a one-month interval to complete the necessary procedure. Payments by the City to Martin are to be made in the following manner:

\$6,200 is to be paid within 10 days after the execution of the agreement, and the issuance by this Commission of an order authorizing the transfer.

Further payments are to be made in amount of \$500 per month for each month thereafter, plus interest on the unpaid balance at the rate of 5% per year until the entire obligation has been satisfied.

Martin agrees not to engage in common carrier business for the transportation of passengers in the City of Vallejo, providing he may upon the securing of the necessary permits, engage in a taxicab business. He further agrees to maintain the automotive equipment, proposed to be transferred in its present operating condition, until such time as the equipment is actually taken over by the City.

In Application No. 28499 Martin seeks authority to discontinue the operation of his bus system forthwith on a temporary basis pending the consummation of the sale as set forth in Application No. 28498 which is outlined above. It is alleged that as a result of the competitive situation between the Martin system and that portion of the City system serving the Guadalupe area, Martin is sustaining a loss of \$40 per day and the City approximately \$60 a day. It is also stated that due to the pending sale agreement, Martin is finding it difficult to maintain sufficient help to operate

(2) The equipment to be transferred consists of:

- One (1) 1942 Ford Transit Bus, 27 seats with tires;
- One (1) 1940 Ford Transit Bus, 27 seats with tires;
- One (1) 1942 Twin-coach Bus, 26 seats with tires;

his system due to the fact that employces are leaving his service as a result of its apparent temporary nature.

It appears that the sale of the Martin system to the City of Vallejo will not result in depriving the public heretofore served by that carrier of public transportation as the City now operates a competing service in the same area.

With respect to Application No. 28499, it would appear that pending the consummation of the transfer the City and Martin could coordinate their operations so as to eliminate duplication and unnecessary service, thereby decreasing and perhaps eliminating the alleged operating losses to each party.

Upon this record we find that Application No. 28498 should be granted and Application No. 28499 should be denied without prejudice.

O R D E R

IT IS ORDERED that Edward Martin, doing business under the firm name and style of the Guadalcanal Bus Company, is hereby authorized to sell to the City of Vallejo on or before October 1, 1947, its transportation system in accordance with the terms of the agreement attached to Application No. 28498, subject to the condition that applicant Martin shall, within 20 days from the date of completion of the transaction, cancel all tariffs and time tables on file with this Commission on not less than 5 days' advance notice to the Commission and public.

The authority herein granted should not be construed as a finding of value of the properties herein authorized to be transferred.

IT IS FURTHER ORDERED that the authority sought in Application No. 28499 is hereby denied without prejudice.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, June 17, 1947.

Harold P. Kuhl
Justin F. Gallison
Frank H. Powell
R. J. Zimmerman
Samuel D. Potter
 COMMISSIONERS