

Decision No. 41629

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SANTA FE TRANSPORTATION COMPANY, a corporation, THE SANTA FE TRAIL TRANSPORTATION COMPANY, a corporation, and TRANSCONTINENTAL BUS SYSTEM, INC., a corporation, for approval of contract for joint performance by Santa Fe Transportation Company and Transcontinental Bus System, Inc., of intrastate operations under certificate held by Santa Fe Transportation Company, and interstate operations under certificate held by Transcontinental Bus System, Inc.

ORIGINAL

Application No. 29280

O P I N I O N

By this application, Santa Fe Transportation Company (a California corporation), The Santa Fe Trail Transportation Company (a Kansas corporation) and Transcontinental Bus System, Inc., (a Delaware corporation) seek an order approving an agreement covering the joint operation of buses within the State of California.

Santa Fe Transportation Company is engaged in the intrastate transportation of persons and property between various points in the State of California. The Santa Fe Trail Transportation Company, prior to March 1, 1948, was engaged in the interstate transportation of persons and property in California and certain other states. Since 1937 they have conducted their respective motor bus operations in this State as a joint operation.

By its report on reconsideration and order in No. MC-F-3504, No. MC-F-3505 and Finance Docket No. 15752, decided February 10, 1948, the Interstate Commerce Commission, among other things, authorized the purchase by Transcontinental Bus System, Inc., of certain operating rights and property of The Santa Fe Trail Transportation Company. An agreement, dated March 1, 1948, has accordingly

been entered into between the three applicants providing that the joint arrangement heretofore carried on between Santa Fe Transportation Company and The Santa Fe Trail Transportation Company shall be continued in effect between Santa Fe Transportation Company and Transcontinental Bus System, Inc., for a period expiring March 20, 1961.

The verified application sets forth that Transcontinental is authorized to transact business in the State of California. The agreement provides that all revenues from interstate transportation shall accrue to Transcontinental, while revenues from intrastate transportation shall accrue to Santa Fe Transportation Company. Expenses of operation are to be paid or borne by the two companies in the proportion that their respective revenues bear to the total revenues derived from their California operations. To the extent practicable, each party is to furnish its "revenue proportion" of property used in joint California operations. Where either party furnishes more than its "revenue proportion" of such property it is to receive a rental on the excess. These and other provisions of the agreement are substantially the same as set forth in the agreement covering the arrangement heretofore in effect between Santa Fe Transportation Company and The Santa Fe Trail Transportation Company.

It does not appear that this is a matter in which a public hearing is necessary. Inasmuch as the proposed arrangements will perpetuate provisions for joint operations which have been in effect for a number of years, we are of the opinion and find that the agreement with Transcontinental should be approved, subject to such changes or modifications as the Commission may from time to time direct in the exercise of its jurisdiction.

ORDER

Application as above entitled having been made, and the Commission being fully advised in the premises,

IT IS ORDERED that the agreement made as of March 1, 1948, between The Santa Fe Trail Transportation Company, Santa Fe Transportation Company and Transcontinental Bus System, Inc., a copy of which is attached to the application in the above-entitled proceeding as Exhibit "G", be and it is hereby approved, subject to such changes or modifications as the Commission may from time to time direct in the exercise of its jurisdiction.

This order shall become effective 20 days from the date hereof.

Dated at San Francisco, California, this 25th day of May, 1948.

A. J. [Signature]
Justice F. [Signature]
[Signature]
[Signature]
[Signature]
 COMMISSIONERS