

Decision No. 42299

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GIBSON LINES, a corporation, for)
authority to lease its passenger stage)
operative rights between Sacramento)
and the California-Nevada State Line)
to the BURLINGTON TRANSPORTATION)
COMPANY, a corporation, and authorizing)
BURLINGTON TRANSPORTATION COMPANY to)
lease and exercise said passenger stage)
operative right.)

ORIGINAL

Application No. 29681

REGINALD L. VAUGHAN and ROBERT E. COCKE, for applicant.
DOUGLAS BROCKMAN, for Pacific Greyhound Lines, interested party.
GEORGE W. BALLARD, for Brotherhood of Railroad Trainmen, protestant.

O P I N I O N

In this application Gibson Lines requests authority to lease its passenger stage operative rights between Sacramento and the California-Nevada State line and all intermediate points over and along U. S. Highway No. 40 to Burlington Transportation Company, hereinafter referred to as Burlington, subject to the restriction that no passengers, baggage or express will be transported locally (1) between Sacramento and Roseville. A public hearing was held by Examiner Cannon in San Francisco on November 23, 1948.

A lease agreement, subject to the approval of the Commission, was entered into by the parties under the terms of which

(1) The rights referred to are evidenced by certificates of public convenience and necessity authorized by the following decisions:

- Decision No. 35292, dated April 28, 1942
- Decision No. 38789, dated March 26, 1946
- Decision No. 38818, dated April 2, 1946
- Decision No. 39205, dated July 9, 1946.

the lessee agrees to pay the lessor \$100 per month as rental for the use of said certificates. The term of the lease is for a period of two years from the date of the commencement of operations. Burlington acquired all of the outstanding capital stock of Gibson Lines as of August 10, 1948, and is the sole owner thereof.

An official representing both Gibson Lines and Burlington testified that the public interest will be better served by the proposed lease arrangement which will allow Burlington to serve the area between Sacramento and the California-Nevada State line on its regular schedules. At the present time there is no intention to effect a merger of the two companies, but the witness stated it is entirely possible that such a merger may be consummated in the future.

Burlington now operates three round trips a day between Sacramento and Reno. As far as the public is concerned the proposed lease arrangement would afford the advantages of three round trip schedules per day between Sacramento and Reno by Burlington on its regular interstate schedules instead of only one schedule per month as now provided by Gibson Lines. Exhibit No. 3 in the record shows that Gibson's operating expense for one round trip from Sacramento to Reno and return totaled \$90.92 for the month of September, 1948, which figure is static for each month of operation, while the revenue derived from operation for the same month was \$6. With the elimination of this loss, augmented by the monthly rental of \$100 the Gibson loss will be converted into a profit. Burlington facilities are ample to afford a sufficient number of seats on its vehicles and no extra cost is involved in the proposed operation.

Pacific Greyhound Lines stipulated with counsel for Gibson

Lines that in the event the instant application should be granted the order therein shall carry a restriction appearing in Decision No. 38818 to the effect that intrastate traffic east of Roseville shall be maintained on through interstate buses.

Protesting the application at the hearing was a representative of the Brotherhood of Railroad Trainmen who requested that the order, should the application be granted, contain a provision to the effect that the seniority rights of the members of the Brotherhood would be preserved. However, the representative of the parties to the agreement stated that during the term of the lease the seniority rights of Gibson employees will not be affected.

From the record in this matter it appears that the lease arrangement should be approved and it will be so ordered.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be leased.

O R D E R

Application as above entitled having been filed, a public hearing having been held, and based upon the evidence adduced and the conclusions and findings set forth in the foregoing opinion,

IT IS ORDERED that Gibson Lines is hereby authorized, on or before January 1, 1949, to lease its passenger stage operative right between Sacramento and the California-Nevada State line, and all intermediate points over and along U. S. Highway No. 40 to applicant Burlington Transportation Company, and Burlington Transportation Company is authorized to lease and exercise said passenger

stage operative right, subject to the following restrictions:

- a. No passengers, baggage or express will be transported locally between Sacramento and Roseville both points inclusive, and territory intermediate thereto.
- b. Local intrastate traffic in California east of Roseville shall be maintained on through interstate buses provided, however, that in the event of a breakdown of any such through interstate bus another bus may be substituted.

The effective date of this order shall be 20 days from the date hereof.

Dated at San Francisco, California, this 7th day of December, 1948.

R. T. Anderson
Justice J. C. Brewer
Just. L. J. ...

COMMISSIONERS