

ORIGINAL

Decision No. 44495

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 GIBSON LINES, a corporation, and)
 BURLINGTON TRANSPORTATION COMPANY,)
 a corporation, for an order (a))
 authorizing the former to transfer)
 to the latter certain certificates)
 of public convenience and necessity)
 to operate as a passenger stage)
 corporation, and (b) granting to)
 Burlington Transportation Company a)
 certificate of public convenience)
 and necessity to operate as a)
 passenger stage corporation between)
 Sacramento and Roseville, California..)

Application No. 30584

Reginald L. Vaughan, for applicants.

Wells & McCarthy, by Patrick J. McCarthy, for the
 City Council of the City of Wheatland; the
 Carmichael Improvement Group, and for various
 individuals, protestants.

Patrick J. McCarthy and Carl J. Laughridge, for the
 City Council and the Chamber of Commerce of
 the City of Roseville, protestants.

F. J. Pellett, Clarence J. Kearney and Wm. P. Goin,
 for the Brotherhood of Railroad Trainmen,
 interested party.

O P I N I O N

In this proceeding the Commission is requested to authorize Gibson Lines to transfer to Burlington Transportation Company and the latter to acquire from the former operative rights for the transportation of passengers, baggage and express between (1) Roseville and the California-Nevada State Line over U. S. Highway 40, and (2) between Sacramento, San Francisco, Stockton and Fairfield and intermediate points. The operative rights proposed to be

transferred were created by the Commission's decisions as shown in the margin. ⁽¹⁾ Burlington Transportation Company also requests a certificate of public convenience and necessity for the transportation of passengers, baggage and shipments of express weighing not in excess of 100 pounds between Sacramento and Roseville and intermediate points, on the one hand, and, on the other hand, points and places which would be served under the certificates it desires to acquire, except that no local service is proposed between Sacramento and Roseville nor points intermediate thereto.

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- (1) 1. Between Sacramento and Lodi, via Franklin and Thornton (Decision No. 35292, Application No. 24889; Decision No. 39128, Application No. 27460).
2. Between Lodi and Stockton (Decision No. 35292, Application No. 24889; Decision No. 39128, Application No. 27460).
3. Between Walnut Grove and Thornton (Decision No. 35292, Application No. 24889).
4. Between Sacramento, Walnut Grove, Rio Vista, Pittsburg, Concord, Walnut Creek, Oakland and San Francisco (Decision No. 35292, Application No. 24889; Decision No. 42697, Application No. 30126).
5. Between Rio Vista and Suisun (Decision No. 35292, Application No. 24889; Decision No. 38789, Application No. 26611; Decision No. 42697, Application No. 30126).
6. Between Stockton and Lodi, on the one hand, and Isleton and Rio Vista, on the other hand (Decision No. 38789, Application No. 26611; Decision No. 39128, Application No. 27460).
7. Between Stockton, Byron and Brentwood, and intermediate points, and between Stockton and Terminus and intermediate points (Decision No. 38789, Application No. 26712; Decision No. 38912, Application No. 26712; Decision No. 39128, Application No. 27460).
8. Between Roseville and a point where U. S. Highway No. 40 crosses the California-Nevada State line, near Floriston, California (Decision No. 38789, Application No. 26748; Decision No. 38818, Application No. 26748 and 26596; Decision No. 39205, Application No. 26748).
9. Between Pittsburg, Camp Stoneman, Los Mendanos, Willow Pass Junction and intermediate points (Decision No. 39214, Application No. 27386).

A public hearing was had in this matter before Examiner Paul at San Francisco on March 17, 1950, and the matter was submitted for decision.

Burlington Transportation Company owns all the outstanding stock of Gibson Lines. To effect the transfer of the operative rights, as here proposed, the directors of Gibson Lines declared a dividend payable in property, to-wit, the operative rights, to its stockholders in the amount of \$18,984.06, being the figure at which such rights are carried on Gibson Lines' books.

The same witness testified that if the plan to transfer the operative rights as proposed were authorized it would enable Burlington Transportation to improve the service between San Francisco and Sacramento by the use of larger and air conditioned equipment which would be assigned to that run. At least one interstate schedule would be operated between Salt Lake City and San Francisco via Sacramento, Pittsburg and Antioch, over the river route (State Highway 24) thereby providing an interstate service which is not presently available to all points along that route. Additional local schedules would be operated over this route as well as over routes between other points which would be acquired by Burlington Transportation.

The witness further explained that about 70 per cent of Gibson Lines' operations are of the urban or suburban type, the remainder being of the so-called long line type. Under applicants' proposal Burlington Transportation would acquire the principal long line operation of Gibson Lines. This would be helpful to both applicants in entering into employee labor contracts as different types of contracts and different wage scales apply to short line and long line operations. Thus an improvement in labor conditions could be achieved.

The witness stated that the system operating revenues of Gibson Lines exceed the operating expenses, although some operating loss results from the operation proposed to be transferred. Under the plan of the proposed transfer the over-all earning position of Gibson Lines will be improved as will that of Burlington Transportation. The improved earning position of the latter would result from its expectation of an increase in its interstate traffic which it expects to develop if the authority sought is granted. He said that the proposed transfer would not impair nor adversely affect the ability of Gibson Lines to continue service over the lines retained.

Protestants expressed the fear that under applicants' proposal, passengers would be deprived of local service by Gibson Lines between Roseville and Sacramento and points intermediate thereto. Such is not the plan. According to the record and the proposal, Gibson Lines would continue a local service between Roseville and Sacramento and points intermediate. Burlington Transportation requests a certificate between those points in order to provide service from or to those points, on the one hand, and to or from other points which it proposes to serve. The record shows that during the month of February, 1950, Gibson Lines transported 59 passengers having origin in the territory of Sacramento-Roseville and destination in the territory of Sacramento-San Francisco-Stockton, and 52 passengers in the reverse direction. These passengers would be served by Burlington Transportation Company. From this it appears that the present patrons of Gibson Lines in the area Roseville-Sacramento would continue to have an equal or a better service under the proposed plan of applicants.

Among the operative rights proposed to be transferred is one between Rio Vista and Suisun created by Decision No. 35292, dated April 28, 1942 in Application No. 24889. Service Regulation

No. 3 and the order of that decision states:- "Passenger stage service between Rio Vista Junction and Suisun may continue to be suspended until otherwise directed." Later, by Decision No. 38789 dated March 26, 1946; in Application No. 26661, Gibson Lines was ordered as follows: "(2) That pursuant to Application No. 26661, Gibson Lines shall reestablish scheduled service between Rio Vista and Suisun-Fairfield,..."

An official of applicants stated that the service now offered by Gibson Lines between Rio Vista and Suisun is on a so-called "on-call" basis for five or more passengers as set forth in a time table bearing the date April 1, 1947. Such reduction in service is contrary to the provisions of Decision No. 38789 above referred to. A reduction in passenger stage service to an "on-call" basis without requisite Commission authority is tantamount to an abandonment of that service and renders the operative authority subject to revocation. While we will not, in this proceeding, declare a forfeiture of the operative right between Rio Vista and Suisun-Fairfield, nevertheless we cannot be placed in the position of having tacitly approved the action of Gibson Lines by giving our consent to the proposed transfer of this operative right.

After full consideration of all of the evidence of the record herein, we find that the proposal to transfer the operative rights above referred to with the exception of that between Rio Vista and Suisun-Fairfield is not adverse to the public interest and should be authorized. In entering its order the Commission is not making a finding of the value of the operative rights herein authorized to be transferred. We also find that public convenience and necessity require the establishment of passenger stage service by Burlington Transportation Company between Sacramento and Roseville.

O R D E R

An application therefor having been filed, a public hearing had thereon, and the matter having been submitted, and the Commission being fully informed in the premises,

IT IS ORDERED:

(1) That Gibson Lines after the effective date hereof and on or before September 30, 1950, may transfer to Burlington Transportation Company and the latter may acquire from the former the operative rights referred to in the foregoing opinion, except an operative right for the transportation of passengers, baggage and express between Rio Vista and Suisun-Fairfield and intermediate points, such transfer to be in accordance with the terms of the resolution of the board of directors of Gibson Lines of record as Exhibit No. 7.

(2) That a certificate of public convenience and necessity is hereby granted to Burlington Transportation Company authorizing the transportation of passengers, baggage and shipments of express weighing not in excess of one hundred pounds each on passenger-carrying vehicles only, to or from Sacramento, Roseville and intermediate points on U. S. Highway No. 40, on the one hand, and, on the other hand, other points served by Burlington Transportation Company. This certificate is granted as an extension and enlargement of and consolidated with the operative rights which Burlington Transportation Company may acquire pursuant to paragraph (1) of this order.

(3) That applicants shall comply with the provisions of General Orders Nos. 79 and 80 and Part IV of General Order No. 93-A

by filing in triplicate and concurrently making effective appropriate tariffs and time tables after the effective date hereof and on not less than five days' notice to the Commission and the public.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 27th day of June, 1950.

R. J. [Signature]
Julius F. Craven
[Signature]
Harold Kula

COMMISSIONERS