

**ORIGINAL**Decision No. 47522

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Rose A. Johnson, dba Johnson Truck )  
 Lines, to sell, and Delta Lines, Inc., )  
 a corporation, to purchase, highway ) Application No. 33451  
 common carrier operation, including )  
 certificates of public convenience )  
 and necessity. )

Frank Loughran and Carlson, Collins and Bold by  
G. Calhoun, for Rose A. Johnson; and Frederick W.  
Mielke, for Delta Lines, Inc., applicants.  
Douglas Brookman and N. R. Moon, for Merchants Express  
 Corporation, protestant.  
William Meinhold, for Southern Pacific Company and  
 Pacific Motor Trucking Company; and Willard S.  
Johnson, for J. Christenson Co., interested parties.

O P I N I O N

The Commission is herein requested to authorize Rose A. Johnson, doing business as Johnson Truck Lines, to sell her highway common carrier business and certificates of public convenience and necessity (1) to Delta Lines, Inc.

A public hearing was held before Examiner Gillard in San Francisco on June 30, 1952.

Johnson operates between the San Francisco Bay area and Woodland, Chico, and intermediate points. Delta operates principally between the San Francisco Bay area and Stockton, Sacramento, Jackson, Placerville, and intermediate points. It also operates an on-call service to Sacramento River points between Knights Landing and Sidd's Landing. Colusa and Knights Landing are common points in rights of the two applicants, and Delta has stipulated

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(1) The operative rights involved are set forth in Decisions Nos. 42643, 46240 and 46244.

herein that if the application is granted it will consolidate its certificates so that it cannot sell and still retain the right to serve either Colusa or Knights Landing.

The agreement of the parties provides that all of Johnson's assets and liabilities are to be transferred to Delta, and Delta will assume all of such liabilities and pay Johnson \$60,000 in cash. The book value of Johnson's franchises is \$8,098. On April 30, 1952, the liabilities were \$8,255 in excess of the assets. As of May 1952, Delta had assets of \$872,854, including \$76,102 cash and \$272,237 total current assets. Its earned surplus on that date was \$172,267.

If the transfer is approved, Delta proposes to continue to use all of Johnson's equipment and employees, and terminals in Richmond, Woodland, Yuba City, Oroville and Chico. The San Francisco terminal will be discontinued and all activities consolidated in Delta's San Francisco terminal.

Delta also proposes to extend its present service from Sacramento to include service to Yuba City, Marysville, Oroville, Chico, and other points now served by Johnson via the Knights Landing gateway. It is only this feature of the proposal that is protested by Merchants Express Corporation. A representative of this carrier testified briefly as to the services being rendered by Merchants and other carriers from Sacramento to the points mentioned. He also stated that in his opinion a new competitive operation by Delta would have an adverse effect upon Merchants. No details were presented.

The present transfer is motivated by the death of Walter J. Johnson in March, 1952. The surviving partner is his mother, age 84. She is unable to participate actively in the business, which has suffered financially since the death of her son. A continuation of

this business is in the public interest, and we therefore find that the proposed transfer is not adverse to the public interest. The evidence presented herein is insufficient to justify a restriction against Delta's proposed operation from Sacramento.

We further find that the property to be procured or paid for by Delta by the execution of the above-mentioned contract is reasonably required for the purpose specified herein. The action taken herein, however, is not to be construed to be a finding of the value of the properties or operative rights involved.

O R D E R

A public hearing having been held and based upon the conclusions and findings in the foregoing opinion,

IT IS ORDERED:

(1) That Rose A. Johnson, after the effective date hereof and on or before sixty (60) days thereafter, may sell and transfer to Delta Lines, Inc. the operative rights and property referred to herein, and the latter may acquire and thereafter operate the same, such sale and transfer to be made in accordance with the terms of the contract attached to the application as Exhibit A.

(2) That within thirty (30) days after completion of the transfer herein authorized, Delta Lines, Inc. shall notify the Commission in writing of that fact and file with it a true copy of any bill of sale or other instrument of transfer executed to effect the same.

(3) That within sixty (60) days after the effective date hereof, and upon not less than five (5) days' notice to the Commission and the public, applicant shall establish the service

herein authorized and file in triplicate, and concurrently make effective, tariffs and time schedules satisfactory to the Commission.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of July, 1952.

*R. J. [Signature]* President  
*Justice J. [Signature]*  
*Harold [Signature]*  
*Sumner [Signature]*  
*John E. [Signature]* Commissioners