

Decision No. 57744**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 A) GIBSON LINES, a corporation,  
 1) for an in lieu certificate authorizing  
 operations as a passenger stage corpora-  
 tion; 2) for authority to sell and transfer  
 to SUBURBAN TRANSIT LINES, a corpora-  
 tion, property and a portion of the operating  
 rights contained in said certificate; and 3)  
 for authority to execute a depot agreement;  
 and B) SUBURBAN TRANSIT LINES, a corporation,  
 for authority 1) to purchase property and  
 operating rights as a passenger stage corpora-  
 tion from GIBSON LINES, a corporation; 2) to  
 execute a loan agreement and evidences of  
 indebtedness; 3) to issue stock; 4) to execute  
 a depot agreement; and 5) to execute a profes-  
 sional services agreement.

) Application No. 40622

O P I N I O N

Gibson Lines (hereinafter at times referred to as Gibson) presently rendering a passenger stage service between Chico, Gridley, Oroville, Marysville, Roseville, Sacramento and points in the vicinity of Sacramento, requests, (1) a restatement of its operative rights, (2) authority to transfer a portion of its operative rights and property to Suburban Transit Lines (hereinafter at times referred to as Suburban) and (3) authority to execute a depot agreement. Suburban, a newly formed corporation, requests authority, (1) to purchase and acquire property and operative rights from Gibson, (2) to execute a loan agreement and evidence of indebtedness, (3) to issue 500 shares of its \$10 par value stock, (4) to execute a depot agreement, and (5) to execute a professional service agreement.

Gibson proposes to retain that portion of its operations between Sacramento and Chico and to transfer its local operations

within the vicinity of Sacramento. In addition to the operative rights Gibson proposes to transfer twenty buses and forty-six cash fare boxes. According to the terms of an agreement, a copy of which is attached to the application as Exhibit C, Suburban agrees to pay a purchase price of \$160,000 plus one-half the applicable sales or other taxes imposed by any taxing sovereignty or regulatory body up to an amount of \$3,200. A value of \$1,000 is placed upon the operative rights. The agreement specifies a cash payment of \$125,000 within five days after the transfer has been approved by an effective order of this Commission. The balance of \$35,000 is to be paid in fifty-nine consecutive monthly payments with interest at 5 per cent per annum.

To finance the purchase Suburban, which was formed and is to be managed and controlled by A. B. Allen, an experienced contract bus operator, must execute, (1) a loan agreement with Bank of America National Trust and Savings Association (hereinafter referred to as Bank), (2) a promissory note to said Bank in the amount of \$125,000, at 6 per cent per annum, payable in sixty monthly installments (3) a chattel mortgage to said Bank, and (4) a chattel mortgage, junior to that of the Bank's, in favor of Gibson.

To further secure said Bank a guaranty agreement was executed by General Petroleum Corporation in the amount of \$50,000. The Bank also required Suburban to execute a professional services contract whereby Charles C. Bowen was placed upon Suburban's board of directors and named its vice president and Noel Izett named its treasurer and assistant secretary.

Under an agreement dated October 15, 1958, a copy of which is attached to the application as Exhibit D, Suburban will sublease from Gibson depot and office space for a monthly rental of \$925 and garage maintenance space for a monthly rental of \$485.

Suburban also proposes to issue 500 shares of its \$10 par value stock to A. B. Allen in consideration for his delivery to said corporation of \$5,000 in cash.

Although Gibson indicates net losses of \$41,393.39 and \$44,313.48 for the first eight months of 1957 and 1958, respectively, it is asserted that applicant Suburban will be able to make the required payments to the Bank and Gibson from earnings. It is estimated that Suburban's operations will approximate \$30,000 monthly, making available therefrom a minimum of \$3,500 for the purpose of defraying amortization and interest expense.

After consideration the Commission is of the opinion and so finds that public convenience and necessity require the in lieu certificate hereinafter granted to Gibson; that the proposed sale and transfer would not be adverse to the public interest; and that the money, property or labor to be procured or paid through the issue of the stock and indebtedness herein authorized is reasonably required for the purposes set forth herein and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income. A public hearing does not appear to be necessary.

ORDER

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

(1) That in the place and stead of its existing operative rights a certificate of public convenience and necessity is hereby granted to Gibson Lines authorizing the transportation of passengers, their baggage and shipments of express weighing 100 pounds as a passenger stage corporation between the points and over the routes set forth in Appendix A attached hereto and made a part hereof.

(2) That all of the operative rights heretofore granted Gibson Line are hereby revoked.

(3) That on or before June 1, 1959, Gibson Lines may sell and transfer and Suburban Transit Lines may purchase and acquire the operative rights described in Part B of Appendix A attached hereto as well as the property heretofore referred to according to the terms set forth in Exhibit C attached to the application.

(4) That within thirty days after the consummation of the transfer herein authorized, Suburban Transit Lines shall notify the Commission in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

(5) That on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the operations here involved to show that Gibson Lines has withdrawn or canceled and Suburban Transit Lines has adopted or established as its own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 79.

(6) That Gibson Lines and Suburban Transit Lines may execute the depot agreement as set forth in Exhibit D attached to the application.

(7) That Suburban Transit Lines may execute the loan agreement and evidence of indebtedness as set forth in Exhibit E attached to the application.

(8) That Suburban Transit Lines may issue 500 shares of its \$10 par value stock and shall file with the Commission monthly reports, as required by General Order No. 24-A, which order, in so far as applicable, is hereby made a part of this order.

(9) That Suburban Transit Lines may execute the professional services agreement as set forth in Exhibit H attached to the application.

The authority herein granted to issue evidence of indebtedness will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$160. In other respects the effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 16<sup>th</sup> day of December, 1958.

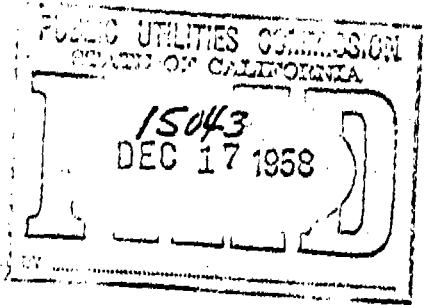
[Signature]  
 President

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Commissioners



PART A

By the certificate noted in the margin below Gibson Lines is authorized to transport passengers, their baggage and shipments of express weighing 100 pounds or less, on passenger carrying vehicles between the following points and points intermediate thereto, using the following routes:

Route 1.01 - Between Sacramento and Chico:

From Sacramento over city streets to U.S. Highway 99-E, thence over U.S. Highway 99-E to Oroville Wye, thence over unnumbered highway through Richvale, Nelson and Durham to junction U.S. Highway 99-E and unnumbered highway approximately one mile south of Chico, thence over U.S. Highway 99-E to Chico.

Route 1.02 - Between junction of U.S. Highway 99-E, Fulton Avenue & Auburn Boulevard and junction U.S. Highway 99-E, Riverside Boulevard & Auburn Boulevard:

From junction U.S. Highway 99-E, Fulton Avenue & Auburn Boulevard over Auburn Boulevard to junction U.S. Highway 99-E, Riverside Boulevard & Auburn Boulevard.

Route 1.03 - Between junction U.S. Highway 99-E & Watt Avenue and McClellan Field:

From junction U.S. Highway 99-E & Watt Avenue over Watt Avenue to McClellan Field.

Route 1.04 - Between Watt Avenue & Madison Avenue and Auburn Boulevard & Madison Avenue:

From Watt Avenue & Madison Avenue over Madison Avenue to Auburn Boulevard & Madison Avenue.

Route 1.05 - Between Auburn Boulevard & Greenback Lane and Auburn Boulevard & Sylvan Road:

From Auburn Boulevard & Greenback Lane over Greenback Lane and Sylvan Road to Auburn Boulevard & Sylvan Road.

Route 1.06 - Between Oroville Wye (junction U.S. Highway 99-E and unnumbered highway) and Oroville:

From Oroville Wye over unnumbered highway and U.S. Highway 40 alternate to Oroville.

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PART A

Route 1.07 - Between junction U.S. Highway 99-E & North Beale Road and junction U.S. Highway 99-E & South Beale Road:

From junction U.S. Highway 99-E & North Beale Road over North Beale Road to Camp Beale, thence over South Beale Road to junction U.S. Highway 99-E & South Beale Road.

Route 1.08 - Between Biggs Junction and Biggs:

From Biggs Junction over unnumbered highway to Biggs. *del*

Alternate

Route 1.09 - Between junction U.S. Highway 99-E & unnumbered highway approximately one-half mile south of Marysville and Sacramento:

From junction U.S. Highway 99-E & unnumbered highway approximately one-half mile south of Marysville over unnumbered highway through Rio Oso, East Nicolaus to Sacramento to be operated as an alternate route.

Restrictions:

No local operations shall be performed between:

- (a) Marysville and Yuba City:
- (b) Sacramento and junction U.S. Highway 99-E, Auburn Boulevard & Watt Avenue:
- (c) Marysville and Sacramento over alternate Route 1.09, Marysville and Sacramento excluded.

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PART A

Gibson Lines is authorized to operate to and from company stations or points of passenger pickup and discharge via city streets within each city, town or community into or through which an authorized highway route passes, unless otherwise specifically restricted or limited.

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PART B

By the certificate noted in the margin below applicant is authorized to transport passengers between the points and over the routes hereinafter set forth:

Route 'A' Sacramento (4th and Eye), 4th Street, L Street, 11th Street, Terminal Way, Depot, Eye Street, 11th Street, H Street, 16th Street, Del Paso Blvd., (North Sacramento) Lampassas, Rio Linda Blvd., (Del Paso Heights) Grand Avenue, Marysville Blvd., 16th Street, Bell Avenue, Gate 60 (McClellan Field). Return via same route except enter Sacramento via 12th Street, thence Eye Street to 4th and Eye Streets.

Route 'B' Sacramento (4th and Eye), 4th Street, L Street, 11th Street, Terminal Way, Depot, Eye Street, 11th Street, H Street, 16th Street, Del Paso Blvd., (North Sacramento) Grove Avenue, Las Palmas Street, Fairfield Street, Sonoma Avenue, Del Paso Blvd., Astoria Street, Grand Avenue, Marysville Blvd., 16th Street, Doolittle, McArthur Street (Parker Homes). Return via same route except enter Sacramento via 12th Street, thence Eye Street to 4th Street.

Route 'C1' Sacramento (4th and Eye), 4th Street, L Street, 11th Street, Terminal Way, Depot, Eye Street, 11th Street, H Street, 16th Street, Garden Highway, Lower Marysville Road, (Gardenland) West El Camino Avenue, Del Paso Blvd., Astoria Street, Grand Avenue, Marysville Blvd., 16th Street, Doolittle, McArthur Street (Parker Homes). Return via same route except enter Sacramento via 12th Street, thence Eye Street to 4th Street.

Route 'C2' Sacramento (4th and Eye), 4th Street, L Street, 11th Street, Terminal Way, Depot, Eye Street, 11th Street, H Street, 16th Street, Garden Highway, Lower Marysville Road (Gardenland), West El Camino Avenue, Del Paso Blvd., Marysville Blvd., Grand Avenue, Antelope Road, Watt Avenue, Gate 1, (McClellan Field) Centinella Drive, (North Highlands). Return via same route except enter Sacramento via 12th Street, thence Eye Street to 4th Street.

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- Route 'D1' Sacramento (4th and Eye), 4th Street, L Street, 11th Street, Terminal Way, Depot, Eye Street, 11th Street, H Street, 16th Street, Del Paso Blvd., (North Sacramento) east El Camino Avenue, Old Auburn Blvd., Ben Ali Avenue, Marconi Avenue, Fulton Avenue, (Town and Country Village) El Camino Avenue, (Country Club Centre) Eastern Avenue, Marconi Avenue to Fair Oaks Blvd., (Carmichael). Return via same route except enter Sacramento via 12th Street, thence Eye Street to 4th Street; alternate route via Freeway from Marconi Avenue and Ben Ali.
- Route 'D2' Sacramento (4th and Eye) 4th Street, L Street, 11th Street, Terminal Way, Depot, Eye Street, 11th Street, H Street, 16th Street, Del Paso Blvd., (North Sacramento) East El Camino Avenue, Bell Avenue, Cottage Way, Fulton Avenue, (Town and Country Village) Marconi Avenue, Watt Avenue, (Country Club Centre) El Camino Avenue, Mission Avenue. Return via same route except enter Sacramento via 12th Street, thence Eye Street to 4th Street; alternate route via Freeway from Marconi Avenue and Ben Ali.
- Route 'E1' Sacramento Depot, 11th and Eye, Eye Street, (Broderick) 3rd Street, C Street, Sacramento Avenue, Bryte Avenue, (Bryte) Riverbank Road, Water Street, Reed Avenue, Harbor Blvd., West Capitol Avenue, El Rancho Avenue, Merkeley Avenue, Jefferson Avenue, (West Sacramento) Park Blvd., 15th Street, South River Road, Rische Lane, West Capitol Avenue, 5th Street, C Street, 3rd Street, (Broderick) Eye Street, 3rd Street (Sacramento), L Street, 11th Street, Terminal Way, Depot.
- Route 'E2' Same as route 'E1', except in reverse.
- Route 'F1' Sacramento, Depot, Eye Street, 11th Street, H Street, Fair Oaks Blvd., Fulton Avenue, Arden Way, Watt Avenue, (Arden Town) La Brea, La Sierra Way, Arden Way, Fair Oaks Blvd., (Carmichael) San Juan, Sunset Avenue, Pennsylvania Avenue, Wilson Avenue, (Fair Oaks) Sunset Avenue, Hazel Avenue, (Orangevale) Central Avenue, Main Avenue, Greenback Lane, Hazel Avenue. Return via same route except enter Sacramento on Eye Street to Depot.
- Route 'F2' Sacramento, Depot, Eye Street, 11th Street, H Street, 30th Street, Elvas Freeway, Arden Way, Watt Avenue (Arden Town) thence present route 'F1' route to Orangevale.

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- Route 'G' Sacramento (4th and Eye) 4th Street, L Street, 11th Street, Terminal Way, Depot, Eye Street, 11th Street, H Street, 16th Street, Del Paso Blvd., (North Sacramento) Cantalier, West El Camino (Gardenland), Lower Marysville Road, Silver Eagle Road, Sully Road, Ford Road, Park Street, (Del Paso Heights) Rio Linda Blvd., (Robla) Rio Linda Blvd., M Street, 5th Street, (Rio Linda). Return via same route except enter Sacramento via 12th Street, thence Eye Street to 4th Street.
- Route '1' MATHER FIELD AND RANCHO CORDOVA: Sacramento, Depot, Eye Street, 11th Street, H Street, Alhambra Blvd., Folsom Blvd., (Mather Field) Folsom Blvd., (Rancho Cordova). Return via same route except enter Sacramento on Eye Street to Terminal.
- Route '2' Originates at 12th Avenue and 21st Street, 21st to H Street, Fair Oaks Blvd., Fulton Avenue, Auburn Blvd., Watt Avenue, McClellan Field. Return via same route.

Issued by California Public Utilities Commission.

Decision No. 5774A, Application No. 40622.