

Decision No. 60414**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MILO PASSALACQUA and)
 LEO PASSALACQUA, as liquidating part-)
 ners of the BENICIA-VALLEJO STAGE)
 LINE, a partnership and GEORGE A.)
 GRINESTAFF, an individual for trans-)
 fer of the right and privilege)
 acquired pursuant to Sec. 1031 of)
 the California Public Utilities Code)
 to said GEORGE GRINESTAFF.)

Application No. 42099

O P I N I O N

On March 30, 1960, Milo Passalacqua and Leo Passalacqua, as liquidating partners of the Benicia-Vallejo Stage Line, a partnership, herein sometimes referred to as sellers, and George A. Grinestaff, an individual, herein sometimes referred to as buyer, filed a joint application requesting authority for sellers to transfer to buyer their present operating authority between Benicia and Vallejo and between Benicia and the Gateway to Mare Island and certain operating equipment.

Milo Passalacqua, Leo Passalacqua and Laurence Gando were copartners doing business under the name of Benicia-Vallejo Stage Line as a passenger stage corporation engaged in the transportation of persons and baggage pursuant to a certificate of public convenience and necessity granted by Decision No. 48430, issued March 30, 1953, in Application No. 33931, as revised and reissued by Decision No. 57789, issued December 30, 1958, in Application No. 40573. On the first day of December, 1958, the Benicia-Vallejo Stage Line partnership was dissolved by the withdrawal of one of the copartners, namely Laurence Gando, leaving the remaining copartners, Milo Passalacqua and Leo Passalacqua, as liquidating partners.

The transaction involved herein is evidenced by a contract in writing dated April 1, 1959, between sellers and buyer, a copy of which is marked Exhibit "B" and attached to the application. The sale price is \$12,000 of which \$3,500 was paid upon execution and the balance to be payable in monthly payments of \$200 plus interest of six percent on the unpaid balance. Title to the property is to remain vested in the sellers until the purchase price, interest, and all other sums due under the agreement have been paid. The operating rights described above, buses having an original and book cost of \$28,629.91, and office equipment having a book and original cost of \$1,022 are involved in the sale.

The balance sheet of Benicia-Vallejo Stage Line as of December 31, 1958, shows assets of \$13,258 and partnership capital of \$4,518.26. The profit and loss statement for the calendar year 1959 shows a net profit of \$2,254.04. The personal financial statement of George A. Grinestaff as of March 1, 1960, excluding the Benicia-Vallejo Stage, shows assets of \$19,230 and liabilities of \$10,200 leaving a net worth of \$9,030.

Applicants state that the sellers desire to enter into this transaction because of the dissolution of the partnership and because the sellers are desirous of retiring from active participation in business of any sort, and that the purchaser is desirous of purchasing the Benicia-Vallejo Stage Lines because of an interest in the field of motor transportation stemming from long experience in the field. He has had experience as a bus driver beginning in 1946. Since 1956 he has had management experience in the field of bus transportation.

By letter dated May 25, 1960, Robert K. Winters, attorney for Laurence Gando, advised the Commission that his client Laurence

Gando has no objection to the proposed transfer. Said letter is hereby made a part of the formal file in this proceeding.

After consideration the Commission finds and concludes that the proposed transfer would not be adverse to the public interest and should be authorized, that the money, property or labor to be procured or paid for by the execution of the agreement providing for long-term indebtedness is reasonably required for the purpose specified herein, and that such purpose is not, in whole or part, reasonably chargeable to operating expenses or to income. A public hearing in this matter is not necessary.

The authorization herein granted shall not be construed as a finding of the value of the rights and equipment nor as a determination that the amounts referred to herein will be accepted as proper bases for an order authorizing the issue of securities.

George A. Grinestaff is hereby placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

Application having been filed and the Commission being of the opinion that the application should be granted,

IT IS ORDERED:

1. That on or before November 1, 1960, Milo Passalacqua and Leo Passalacqua may sell and transfer, and George A. Grinestaff may purchase and acquire, the operative rights and property referred to in the application and that George A. Grinestaff may incur the long-term indebtedness which is referred to in the preceding opinion.

2. That, within thirty days after the consummation of the transfer herein authorized, George A. Grinestaff 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.

3. 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 Milo Passalacqua and Leo Passalacqua have withdrawn or canceled, and George A. Grinestaff has adopted or established as his 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.

4. That if Milo Passalacqua and Leo Passalacqua, copartners, retake possession of the property pursuant to the provision of the agreement, a copy of which is attached to the application as Exhibit "B", the operating rights herein involved shall be retransferred to Milo Passalacqua and Leo Passalacqua, copartners, from George A. Grinestaff without further consideration being paid by said Milo Passalacqua and Leo Passalacqua, copartners, and without further approval of this Commission, and said copartners shall re-establish passenger stage service between the points herein considered.

5. That, in the event the passenger stage service is re-established by Milo Passalacqua and Leo Passalacqua, copartners, pursuant to paragraph 4 of this order, applicants shall, on not less than five days' notice to the Commission and to the public, effective concurrently with the re-establishment of service, amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the operations here involved to show that George A. Grinestaff has withdrawn or canceled, and Milo Passalacqua and Leo Passalacqua, copartners, have adopted or established as their 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.

The authority herein granted to incur indebtedness shall become effective when George A. Grinestaff has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25. In other respects this order shall become effective twenty days after the date hereof.

Dated at San Francisco, California, this 12th day of July, 1960.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

