

ORIGINAL

Decision No. 62288

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)
 TRANSCONTINENTAL BUS SYSTEM, INC.,)
 a corporation, to sell, and of)
 AMERICAN BUSLINES, INC., a cor-)
 poration, to purchase a certificate)
 of public convenience and necessity)
 (portion) authorizing the transpor-)
 tation of passengers, baggage and)
 shipments of express weighing not)
 in excess of 100 pounds, in)
 passenger-carrying vehicles between)
 Los Angeles, California and)
 San Diego, California, to certain)
 intermediate points, pursuant to)
 Sections 851-853 of the Public)
 Utilities Code.)

Application No. 43258

Russell and Schureman, by Theodore W. Russell,
 for applicants.
George W. Ballard, for Brotherhood of Railway
 Trainmen, protestant.
Lloyd C. Young, for the Commission's staff.

O P I N I O N

A public hearing was held in the above-entitled matter at Los Angeles on May 26, 1961, before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced, the matter was submitted for decision.

By this application authority is sought by Transcontinental Bus System, Inc., and American Buslines, Inc. (hereinafter referred to as Transcontinental and American, respectively) to sell and transfer the former's intrastate

passenger stage operating rights between Los Angeles and San Diego to the latter for a consideration of \$2,000 cash. No other property is involved.

The record shows and we find facts as hereinafter set forth.

American operates a nationwide bus system and in California operates principally as an interstate carrier, its only intrastate service being between San Francisco and Sacramento via State Highway 24 and between Sacramento and the California-Nevada state line via U.S. Highway 40. Its interstate operations in Southern California are between Los Angeles and points easterly via Barstow and Las Vegas, Blythe and Phoenix, and San Diego, Yuma and Tucson. On the latter route American operates three schedules per day, via Los Angeles and San Diego, restricted to interstate passengers.

Transcontinental also has interstate and intrastate rights. Its principal interstate routes in California are northerly beginning at San Diego, its most southern California terminus, via Los Angeles, San Francisco, Portland and Seattle, and easterly from Los Angeles and San Francisco. Transcontinental operates two schedules between San Diego and Los Angeles for intrastate and interstate passengers.

The schedules of each of the applicants, between Los Angeles and San Diego, are as follows:

<u>Transcontinental</u> (interstate and intrastate passengers)		<u>American</u> (interstate passengers only)	
Southbound	Northbound	Southbound	Northbound
7:30 a.m.	2:00 p.m.	12:01 a.m.	4:35 a.m.
7:30 p.m.	5:30 p.m.	9:45 a.m.	9:10 a.m.
		1:45 p.m.	10:15 p.m.

Applicants are affiliated through common ownership with Continental Pacific Lines and Gibson Lines, also operating in California as interstate and/or intrastate carriers. For some time said four carriers have been engaged in realigning ownership of certificates for better operating efficiency. As part of said plan it is herein proposed that American will take over the Los Angeles-San Diego operation of Transcontinental.

The result will be that the public will have an improved service by reason of five schedules for both interstate and intrastate travel and that American will be able to attract more passengers by reason of its dual authority and improved schedules. Concurrently with the transfer, Transcontinental will discontinue running its equipment. It was testified that applicants are arranging for the transportation of Transcontinental's interstate passengers on American buses.

Transcontinental's average per bus mile revenue for the fourteen months ending April 30, 1961, was 20 cents (Exhibit No. 2). The assistant general manager of Transcontinental testified that out-of-pocket costs and full costs per bus mile are approximately 30 cents and 44 cents, respectively.

No other operational change is proposed. The same type of equipment will be used and present schedule will be maintained. There will be no change in fares.

The authority herein proposed to be transferred is described in Appendix A, Decision No. 55018, Original Page 3, as modified and amended by Decision No. 55217, First Revised Page 3,

designated "Route Group 2", subject to "Special Conditions, Rights and Restrictions", as provided in Decision No. 55018, Appendix A, Original Page 6 and Original Page 7, as modified by Decision No. 59261, First Revised Page 6.

The Brotherhood of Railway Trainmen opposed the application on the grounds that its member-employee drivers of buses on the two schedules of Transcontinental proposed to be discontinued might be adversely affected by reason of dismissal or change in pay and seniority rights. American proposes to employ said drivers without loss of seniority and it was testified that American's wage scale is approximately the same as that of Transcontinental.

The Commission having considered the matter, finds and concludes that the proposed sale and transfer is not adverse to the public interest and therefore the application will be granted as hereinafter set forth.

The action taken herein shall not be construed to be a finding of the cost or value of the operative rights herein proposed to be transferred, nor as authorization to capitalize them in excess of the amount allowed by law. Applicants are 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

A public hearing having been held, the Commission being fully advised in the premises and having found and concluded as hereinabove set forth,

IT IS ORDERED:

(1) That Transcontinental Bus System, Inc., a corporation, may sell and transfer, on or before sixty days after the effective date of this order, to American Buslines, Inc., a corporation, the operating authority referred to in the foregoing opinion, upon the terms and conditions set forth in the agreement of sale filed as Exhibit C with this application, and American Buslines, Inc., may acquire said operating authority and shall continue to operate a passenger stage service as heretofore authorized by this Commission.

(2) 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 supplement or reissue the tariffs and timetables on file with the Commission naming rates, rules, regulations and schedules governing the operations here involved to show that Transcontinental Bus System, Inc., has withdrawn or canceled and American Buslines, Inc., has adopted or established, as its own,

said rates, rules, regulations and schedules. The tariff and timetable filings made pursuant to this order shall comply in all respect with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 79 and 98.

(3) That in the event the authority herein granted is exercised, American Buslines, Inc., shall notify the Commission in writing of that fact within thirty days after the date of transfer.

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

Dated at San Francisco, California, this 18th day of July, 1961.

W. H. ...
 President

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George J. ...

Fredrick B. Halblott
 Commissioners