

ORIGINAL

Decision No. 63299

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CONTINENTAL PACIFIC LINES, a corporation,)
for authority for one year to suspend)
service, or in the alternative abandon)
service, at certain specified points)
along its presently authorized routes)
between San Francisco, California, and)
the California-Oregon boundary, pur-)
suant to Sections 1031-1036 of the)
Public Utilities Code.)

Application No. 43777

Russell & Schureman by R. Y. Schureman,
for applicant.
George W. Ballard, for Brotherhood of
Railroad Trainmen AFL & CIO, interested
party.
M. E. Getchel, for the Commission staff.

O P I N I O N

Continental Pacific Lines is authorized to render a passenger stage service between San Francisco, Sacramento and all points north of Sacramento, on U.S. Highways 99W and 99, to the Oregon-California boundary. By Decision No. 55668, dated October 8, 1957, applicant was authorized to suspend service for one year at all points except San Francisco, Oakland, Richmond, Vallejo, Sacramento, Redding, Mt. Shasta, and Yreka. Since that time the Commission by ex parte order has authorized yearly extensions of the suspension. On September 21, 1961, applicant requested that the suspension be extended for another year, and in the event that such request is denied that it be authorized to abandon service to the points covered by the suspension. On November 14, 1961, the Commission extended the suspension until further order and the matter was set for hearing.

A public hearing was held before Examiner Thomas E. Daly on December 11, 1961, at San Francisco, and the matter was submitted.

Copies of the application and notice of the hearing were served upon twenty-two cities in the affected area as well as upon The Greyhound Corporation. No appearance was made in protest to the authority sought.

Applicant is a wholly owned subsidiary of Transcontinental Bus System, Inc., (hereinafter at times referred to as Transcontinental). Transcontinental conducts passenger stage operations between San Francisco and Los Angeles via Stockton and points on and along U. S. Highway 99. Transcontinental also serves Needles and Blythe. Another member of Transcontinental Bus System is American Bus Lines, Inc., (hereinafter at times referred to as American). American operates a passenger stage service between San Francisco and the California-Nevada boundary and between Los Angeles and San Diego. Transcontinental and American conduct interstate operations between California and various eastern states, while applicant conducts an interstate service between points in California and points in Oregon and Washington.

A major source of applicant's traffic in both interstate and intrastate commerce results from interlining with Transcontinental and American. Prior to 1956 applicant served between San Francisco, Sacramento and points north thereof. In that year applicant, in conjunction with its affiliates, inaugurated a de luxe service between Los Angeles and the Oregon-California boundary line serving limited points. The so-called "five-star" service is in effect an express operation of a luxury-type, which is made available at a slight additional charge. Service includes reserved seats, lounges, refreshments, and a hostess on each bus. For approximately a year

after 1956 applicant operated two round-trip schedules to all points in addition to one round-trip de luxe express schedule to limited points. In 1957 because of operating losses applicant decided to concentrate exclusively on the "five-star" schedules and on October 8, 1957, the first yearly suspension was authorized.

Applicant is presently operating two round-trip schedules daily between San Francisco and the California-Oregon boundary line. One northbound schedule leaves San Francisco at 8:00 p.m. and arrives at the California-Oregon boundary line at 5:00 a.m., the other leaves San Francisco at 1:45 a.m. and arrives at the boundary line at 11:00 a.m. On the southbound schedules one leaves Yreka at 7:40 a.m. and arrives at San Francisco at 4:20 p.m. and the other schedule leaves Yreka at 9:45 p.m. and arrives at San Francisco at 6:10 a.m. Although the de luxe service is allegedly receiving enthusiastic public acceptance, applicant estimates that its buses are being operated on an average of 50 percent of capacity.

According to Exhibit No. 2, applicant suffered the following operating losses for the years 1953 through 1961.

1953	\$ (133,348)	1958	\$ (340,610)
1954	(196,804)	1959	(389,909)
1955	(209,668)	1960	(221,052)
1956	(274,244)	1961	(106,021)
1957	(216,823)		

As a result of a strike condition, which commenced on July 8, 1958, both Transcontinental and American were forced to suspend operations until August 1, 1959, in the case of American and until February 15, 1960, in the case of Transcontinental. The strike assertedly resulted in a substantial diversion of traffic and loss to applicant.

According to applicant's Director of Traffic, the termination of the strike and the increasing popularity of the de luxe

service resulted in an improvement in applicant's operating ratio for the year 1961. Although still operating at a loss, he testified that it is the hope of applicant that the trend will continue to the point where the operation will show a profit and at that time applicant will consider again serving those suspended points where the need is justified. At the present time, he testified, applicant is considering the possibility of restoring service to Woodland and Red Bluff. He estimated that if required to provide local service to all of its certificated points the additional schedule or schedules would result in a loss of 40 cents per mile to applicant. He further testified that applicant has received no complaints from the public or public officials because of the suspended service and that on the average applicant receives only five requests a month for service to one or more of the suspended points.

The staff took the position that applicant as a common carrier should provide service in conformity with its certificated dedication without "skimming off the cream".

After consideration, the Commission finds and concludes that applicant is still experiencing financial difficulty although there has been some improvement since the termination of the strike. In the absence of protest the requested extension will be granted, but applicant is hereby placed upon notice that at the termination of the year it will be expected to resume service or be prepared to justify its abandonment.

O R D E R

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

IT IS ORDERED that:

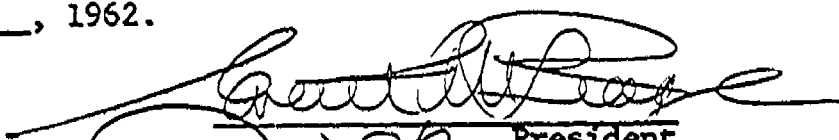
1. Continental Pacific Lines may suspend service for a period of one year from the effective date of this order to all

points along its presently authorized routes between San Francisco and the California-Oregon boundary with the exception of Yreka, Mt. Shasta, Redding, Sacramento, Vallejo, Richmond, Oakland, and San Francisco.

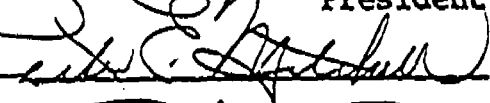
2. Within ninety days after the effective date hereof and on not less than five days' notice to the Commission and to the public, applicant shall amend its tariffs and timetables presently on file with this Commission to reflect the authority herein granted.

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

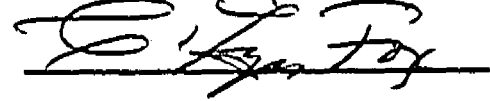
Dated at San Francisco, California, this 20th day of FEBRUARY, 1962.



 President



 E. J. Fox



 Franklin B. Halbach

 Commissioners

Commissioner...GEORGE C. Grover..., being necessarily absent, did not participate in the disposition of this proceeding.