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ORIGINAL

Decision No. 82038

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
DI GIORGIO CORPORATION to acquire)
control of Borrego Springs Airline. }

Application No. 54339
(Filed September 21, 1973)

O P I N I O N

Di Giorgio Corporation, which owns 100 percent of the stock of the Quincy Railroad Company, requests authority pursuant to Sections 2757 and 2758 of the Public Utilities Code to acquire controlling stock interest in Borrego Springs Airline.

Quincy Railroad Company (QRC) is a corporation engaging in common carrier railroad operations between Quincy and Quincy Junction.

Borrego Springs Airline (BSA) is a California corporation operating as a passenger air carrier between Borrego Springs, San Diego, and Palm Springs pursuant to authority granted by this Commission.

Applicant is presently a noncontrolling stockholder in BSA and proposes to gain control of BSA through a stock exchange offer.

Applicant also requests authority pursuant to Section 2759 of the Public Utilities Code approving such relations as may exist from time to time of common officers and/or directors between QRC and BSA.

Applicant proposes purchasing up to \$100,000 of a new series of preferred stock of BSA and in turn offering said preferred stock to the present common stockholders of BSA in exchange for the outstanding common stock of BSA, or in the alternative to purchase said common stock for cash, conditioned upon applicant receiving all of the outstanding stock or such percentage as may be agreed upon.

It is alleged that the proposed transaction will not result in creating a monopoly or monopolies and thereby restrain competition, or jeopardize another passenger air carrier; that the control relationship between ORC and BSA relates to two carriers which perform entirely different services for the public in different parts of the state; that acquisition of control will not jeopardize any other passenger air carrier serving Borrego Springs; that BSA is the only passenger common carrier serving Borrego Springs; and that the proposed acquisition of control will not jeopardize the operations of any other passenger air carrier presently serving San Diego or Palm Springs.

After consideration the Commission finds that granting of the authority sought would not create a monopoly or to tend to restrain competition. Notice of the application was filed in the Commission's Daily Calendar and no person has claimed an interest in the proceeding, either substantial or otherwise, nor has any request for a hearing been received. A public hearing does not appear necessary.

O R D E R

IT IS ORDERED that:

1. Di Giorgio Corporation is authorized to acquire control of Borrego Springs Airline, and any relationships of common officers and/or directors that may exist from time to time between Borrego Springs Airline and Quincy Railroad Company are also authorized.

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2. Within ten days after its acquisition and control by Di Giorgio Corporation, Borrego Springs Airline shall file with this Commission a copy of any resolution, instrument, or document used to affect said acquisition and control.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 24th
day of OCTOBER, 1973.

William L. Sturgis
President
William J. ...
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Commissioners