

Decision No. 23649

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GREYHOUND LINES, INC.,)
 a corporation, for authority to sign) Application No. 17316
 a conditional sales contract for the)
 purchase of twelve motor coaches.)

H. C. Lucas and Orla St. Clair, by Orla St. Clair,
 for applicant.

BY THE COMMISSION:

OPINION

Pacific Greyhound Lines, Inc. has applied to the Railroad Commission for permission to enter into a conditional sales contract for the purchase of twelve motor coaches.

Applicant alleges that some of its equipment, acquired from predecessor companies, is obsolete in type and not capable of allowing the furnishing of first class service, and that accordingly it desires to purchase twelve new motor coaches. It appears, in this connection, that it requested bids from various motor coach manufacturers and that the best price obtainable was the bid of General Motors Truck Company to furnish twelve coaches for \$10,352.50 each, f.o.b. Pontiac, Michigan, making a total cost of \$124,230.00. Freight charges are estimated at \$1,000.00 a car, so that the final price to applicant will be about \$136,230.00. A complete description of the new equipment is filed as Exhibit "A".

To finance the cost of the automobiles, applicant proposes to enter into an agreement with the Anglo-California Trust

Company, of San Francisco, whereby the trust company will purchase and take title to the equipment and will honor the sight-draft of the General Motors Truck Company for the cost thereof plus freight charges. Applicant agrees to pay ten percent of the price, in cash, concurrently with the signing of the agreement, and the balance in twenty-four equal monthly payments, the first payment to be made one month after delivery, with interest at the rate of seven percent per annum on the unpaid balances, payable monthly. A copy of the proposed conditional sales contract between applicant and Anglo-California Trust Company is filed as Exhibit "C". It appears to be in satisfactory form. Applicant reports the net investment in its fixed assets at \$4,149,801.01 and its funded debt at \$1,952,799.00.

ORDER

A public hearing having been held in the above entitled matter before Examiner Fankhauser, the Commission having considered the request of applicant and being of the opinion that the money, property or labor to be procured or paid for through the execution of the conditional sales contract herein authorized is reasonably required by applicant, therefore,

IT IS HEREBY ORDERED that Pacific Greyhound Lines, Inc. be, and it hereby is, authorized to execute and enter into a conditional sales contract, substantially in the same form as that filed in this proceeding as Exhibit "C", in the total amount of not exceeding \$136,230.00, ten percent to be paid upon the signing of the contract and the balance in monthly installments over a period of twenty-four months, with interest at not exceeding seven percent

per annum, for the purpose of financing the cost of twelve new motor coaches, referred to in this application.

The authority herein granted is subject to the following conditions:

1. Applicant within sixty days from the date of execution of the conditional sales contract shall file a copy thereof, as finally executed, with the Railroad Commission.

2. The authority herein granted to execute a conditional sales contract is for the purpose of this proceeding only and is not intended as an approval of said contract as to such other requirements to which it may be subject.

3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is One Hundred and Thirty-seven (\$137.00) Dollars.

DATED at San Francisco, California, this 4-16 day of May, 1931.

C. Seaver
Leon O. Russell
W. H. Am
M. B. Lewis
Fred G. Stevens
Commissioners.

Fee \$137.⁰⁰/₁₀₀
RAILROAD COMMISSION
MAY 9 1931
Fee # 23869