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Decision No. 10268.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of
SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS,
a corporation, for an order authorizing
the issue of notes and approval of agree-
ment.

Application No. 7605

Albert L. Whittle for Applicant.

BY THE COMMISSION:

O P I N I O N

The Railroad Commission is asked to make an order authorizing SAN FRANCISCO OAKLAND TERMINAL RAILWAYS to issue five \$1,935.00 five per cent. notes and approve the agreement to which reference is made below.

A hearing was had on this application before Examiner Gordon at San Francisco on March 24th.

On May 24, 1918, the Railroad Commission by Decision No. 5421 in Application No. 3754, authorized Emergency Transportation Company to issue a \$9,675.00 five per cent. note payable on or before ninety days after the execution of a treaty of peace terminating the state of war then existing between the United States of America and the German Empire. The note was issued and is payable to the United States Shipping Board Emergency Fleet Corporation. The payment of the note is secured by the pledge of \$10,100.00 of outstanding stock to the Emergency Transportation Company, which stock is owned by the San Francisco-Oakland Terminal Railways. The payment of the note is also guaranteed by the San Francisco-Oakland Terminal Railways. The United States Shipping Board Emergency Fleet Corporation is willing to cancel the \$9,675.00 note now held by it if San Francisco-Oakland Terminal Railways will issue to it, five promissory notes identical in form, falling due and becoming payable respectively on or before one, two, three, four, and five years

after January 15, 1922, each note for the sum of \$1,935.00 and to bear interest at the rate of 5 per cent. per annum payable semi-annually on the 15th day of January and the 15th day of July. Copies of the proposed notes have been filed in this proceeding.

On August 16, 1918, the United States Shipping Board Emergency Fleet Corporation, Emergency Transportation Company and San Francisco-Oakland Terminal Railways entered into an agreement relating to the construction and operation of additional trolley transportation facilities on Chestnut Street from Eighth Street to or near First Street in the City of Oakland to accommodate shipyard workers and others. The agreement covered, among other things, the issue and payment of the \$9,675.00 note referred to above, the guaranty of the payment of the note by the San Francisco-Oakland Terminal Railways, the operation of the newly constructed line by the San Francisco-Oakland Terminal Railways, the disposition of the revenues from such operation and the maintenance of the properties. It appears that the line of railway constructed under the agreement has been operated and is being operated as an integral part of the railway system operated by the San Francisco-Oakland Terminal Railways, which asks the Commission to approve the agreement:

O R D E R

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS having applied to the Railroad Commission for permission to issue \$9,675.00 face value of notes, and requested the Commission to approve a certain agreement dated August 16, 1918 filed in this proceeding and marked "Exhibit A", a public hearing having been held and the Commission being of the opinion that applicant's requests should be granted;

IT IS HEREBY ORDERED. that SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS be, and it is hereby, authorized to issue to the UNITED STATES SHIPPING BOARD EMERGENCY FLEET CORPORATION five promissory note, identical in form, falling due and becoming payable respectively on or before

one, two, three, four and five years after January 15, 1922, each note for the sum of \$1,935.00 and to bear interest at the rate of five per cent. per annum payable semi-annual on the 15th day of January and the 15th day of July, said notes being issued for the purpose of paying or refunding the \$9,675.00 note of the Emergency Transportation Company referred to in this application.

The Railroad Commission hereby approves the agreement filed in this agreement and marked "Exhibit A", said agreement being made and entered into on the 16th day of August, 1918, between the United States Shipping Board Emergency Fleet Corporation, San Francisco-Oakland Terminal Railways and Emergency Transportation Company.

The San Francisco-Oakland Terminal Railways is hereby directed to file within sixty days after the date hereof, a statement showing whether it has exercised the authority herein granted, and if it has exercised such authority, it shall advise the Commission whether the notes issued are in the same form as the proposed notes filed in this proceeding.

April
of ~~March~~, 1922.

DATED at San Francisco, California, this 17 day

H. B. Brundage

James Martin
Charles H. Thomas
J. H. Brundage
Commissioners.