

Decision No. 27233

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SANTA FE TRANSPORTATION COMPANY,)
a corporation, for authority to issue) Application No. 19020.
\$75,000.00 of its Capital Stock.)

E. T. Lucey and Berne Levy, for applicant.
E. J. Foulds and A. A. Jones, for Pacific Motor
Trucking Company, an interested party.
Edwin G. Wilcox, for Oakland Chamber of Commerce,
intervener on behalf of applicant.
Wellace K. Downey, for Motor Freight Terminal
Company and for Besone's Motor Express,
protestant.
Sanborn & Roehl, and Frank B. Austin, for Valley
Motor Lines, Inc. and Valley Express Co.,
protestants.
H. Frasher, for H. Frasher Truck Line and for
Fortier Brothers, Protestant.
W. R. Holmes, for Bekins Van & Storage Company,
protestant.
Edwin G. Wilcox and Charles C. Adams, for Berkeley
Chamber of Commerce, intervener.

HARRIS, Commissioner:

O P I N I O N

In the above entitled matter Santa Fe Transportation Company, a corporation, asks permission to issue and sell seven hundred fifty (750) shares of its capital stock for One Hundred (\$100.00) Dollars a share and to use the proceeds for the purchase or lease of trucks and trailers and other necessary equipment and also for necessary operating expenses.

The hearing on this application was consolidated with the hearing on Application No. 19030, in which applicant seeks a certificate of public convenience and necessity to operate an auto truck service as a common carrier between Fresno and Porterville and intermediate points, and with a hearing on Application No.

19062 in which Pacific Motor Trucking Company asks for a certificate of public convenience and necessity to operate motor trucks between the points mentioned in its application.

The record shows that applicant was organized under the laws of the State of California during June, 1933, by persons interested in the affairs of The Atchison, Topeka and Santa Fe Railway Company, for the purpose among other things of providing a coordinated or auxiliary truck service in connection with the rail operations of said railway company.

All of the stock which applicant will issue except one share each to its five directors, will be purchased by The Atchison, Topeka and Santa Fe Railway Company.

The applicant corporation was organized with an authorized capital stock of seven hundred fifty (750) shares of One Hundred (\$100.00) Dollars par value.

It asks permission at this time to sell all of said shares for cash at par. No commission will be paid for the sale and the entire sales price without any deduction will be paid to applicant. The proceeds will be used by applicant in acquiring equipment and paying for or leasing trucks.

The evidence shows that applicant proposes at this time to inaugurate an auxiliary truck service operating between the rail stations of The Atchison, Topeka and Santa Fe Railway Company between Fresno, Porterville and intermediate points and that the entire cost of equipment necessary for this service, including the purchase or leasing of the trucks and trailers required for the operation will not exceed Six Thousand (\$6,000.00) Dollars.

Applicant will haul freight of said railway company and of the Railway Express Agency between the above rail points on a contract

basis giving it cost plus 10%. The evidence shows that a truck and trailer of six or seven ton capacity will be adequate for the installation of the service proposed. The company should, however, have available some standby equipment. Applicant has not yet determined the type of truck and trailer or the exact cost of each unit which it will purchase or lease. No arrangements for purchase or lease have yet been made and are waiting the issuance of this order. The order will authorize the sale at this time of sixty shares of stock at par to pay for truck and trailer equipment, and for working capital. Not more than One Thousand (\$1,000.00) Dollars of the proceeds may be used for working capital. The order herein will dismiss the remainder of the application without prejudice. If hereafter applicant needs additional funds to acquire new equipment it may file a new application.

The following order is recommended:-

O R D E R

Santa Fe Transportation Company having applied to this Commission for permission to issue stock and the Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of stock is reasonably required for the purposes specified herein, and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Santa Fe Transportation Company be and it is hereby authorized to issue and sell for cash at not less than One Hundred (\$100.00) Dollars par value, sixty (60) shares of its capital stock and to use the proceeds to pay for equipment, including truck and trailer, and for working capital, as set forth in the above opinion.

IT IS HEREBY FURTHER ORDERED that applicant shall keep such record of the issue of the stock herein authorized and of the disposition of the proceeds as will enable it to file from time to time verified reports, as required by the Railroad Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that this application in so far as it involves the issue of Sixty-nine Thousand (\$69,000.00) Dollars of stock, be and the same is hereby dismissed without prejudice.

DATED at San Francisco, California, this 30th day of July, 1934.

O. C. Henry
Leon C. Williams

M. J. Carr
M. B. Harman

Commissioners.