

Decision No. 27273.

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of Peninsular Railway Company and of San Jose Railroads for an order; first, authorizing Peninsular Railway Company to lease to San Jose Railroads for street railway purposes certain lines of railway in and in the vicinity of San Jose, California; and second, authorizing San Jose Railroads to acquire such leasehold and to operate said street railway lines.

Application No. 19601.

BY THE COMMISSION:

O R D E R

In this application Peninsular Railway Company requests authority to lease its lines of railway in and in the vicinity of San Jose, California, to the San Jose Railroads for street railway purposes, and San Jose Railroads requests authority to acquire such leasehold and to operate said street railway lines. Both applicants are wholly owned subsidiaries of Southern Pacific Company and at the present time both companies operate street railway service in the territory described which, while nominally under separate management, is in effect a consolidated operation since the personnel of the two managements is in general the same.

The application states that the present operation by two companies causes unnecessary duplication of accounting and other records and that in order to simplify management and accounting it is desired to have San Jose Railroads perform in its own name all such operations now performed by both applicants. No change in service is contemplated. Attached to the application and marked "Exhibit A" is a copy of a contract entered

into between applicants, covering the leasing of the property for street railway purposes.

It appears that this is not a matter in which public hearing is necessary and that it is in the interests of the public that the application be granted, therefore,

IT IS HEREBY ORDERED that Peninsular Railway Company is hereby authorized to lease to San Jose Railroads the street railway lines in and in the vicinity of the City of San Jose, Santa Clara County, shown in green on the map attached to "Exhibit A", and San Jose Railroads is hereby authorized to acquire such leasehold and to operate street car service over said lines, provided that applicant, San Jose Railroads, shall continue to provide service comparable with that now provided by applicant Peninsular Railway Company, at the same rates of fare and with the same transfer privileges.

Within thirty (30) days thereafter, applicant, San Jose Railroads shall notify the Commission of the acquiring of such leasehold and of its commencement of operation.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of September, 1934.

Leon Whiteley

M. J. Cunn

M. B. Harris

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Commissioners.