

Decision No. 31747

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC MOTOR TRUCKING COMPANY  
for authority to issue evidences of  
indebtedness for the purchase of  
additional automotive equipment.

} Application No. 22555

BY THE COMMISSION:

OPINION AND ORDER

Pacific Motor Trucking Company has applied to the Railroad Commission for authority to execute evidences of indebtedness in the form of contracts of conditional sale in the total amount of not exceeding \$25,000.00 for the purpose of acquiring additional equipment.

Applicant, a wholly owned subsidiary of Southern Pacific Company, is engaged in the business of operating common carrier auto truck lines in California and elsewhere, and in the city drayage business at several points on its truck lines. At this time its physical properties include 384 units of equipment, of which 377 units are carried in its investment account at a total figure of \$633,057.03 and are owned without encumbrances, and 7 units are being acquired under purchase contracts at a total cost of \$13,879.24. The equity of applicant in such units as of July 31, 1938 was \$4,538.46.

The company desires from time to time as its operations may require, to purchase by contract additional units of automotive equipment including passenger cars, trucks, tractors, trailers, semi-trailers, dollies, of various rated tonnage capacities and other rolling equipment, and to finance the cost thereof under contracts calling for installment payments extending for more than twelve months after date of execution. The aggregate sum which it proposes to undertake to pay under such con-

tracts in such installment payments will not exceed \$25,000.00.

A copy of the form of the contracts proposed to be executed is attached to applicant's petition. Under the terms of the contracts the title to any motor vehicle will not pass to the buyer until the purchase price is paid in full. The company apparently is not in a position at this time to advise the Commission of the nature and description of all the equipment to be purchased, but it seeks the necessary authority to enable it to execute the contracts of conditional sale as the need for new equipment arises.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the execution of the evidences of indebtedness is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Pacific Motor Trucking Company be, and it hereby is, authorized for the purpose of financing the cost of new equipment, to execute on or before December 31, 1939, evidences of indebtedness in the form of contracts of conditional sale in or substantially in the same form as that filed in this proceeding, which evidences of indebtedness shall be payable on or before twenty-four months after date of execution, with interest at not exceeding six percent. per annum, provided-

1. That the aggregate amount of the evidences of indebtedness to be executed under the authority herein granted shall not exceed \$25,000.00;

2. That applicant within thirty(30) days after executing any evidence of indebtedness under the authority herein granted shall

file with the Commission a copy thereof and a description of the equipment acquired;

3. That the authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five(\$25.00) Dollars.

DATED at San Francisco, California, this 14<sup>th</sup> day of February, 1939.

Robert J. Anderson  
James D. DeWitt  
W. H. Kelley  
H. B. Miller  
Justin J. Casner  
COMMISSIONERS.

