

ORIGINAL

Decision No. 35341

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Pacific Greyhound Lines, a
corporation, for authority to
execute conditional sale contracts
for the purchase of buses.

Application No. 24952

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Pacific Greyhound Lines for an order authorizing it to execute conditional sale contracts to finance, in part, the cost of sixty-five 43-passenger Transit Type Motor Coaches, Model CM-41. A description of said motor coaches appears in Exhibit "D" on file in this proceeding. Applicant states that the new equipment is urgently needed to provide additional buses for operation of applicant's local and commute service, particularly in Marin County and Peninsula territories.

Applicant will acquire the sixty-five motor coaches from the Mack-International Motor Truck Corporation at a total cost of \$812,500. Of the purchase price, approximately \$162,500 will be paid in cash and the balance will be represented by conditional sale contracts. The deferred balance of \$650,000 will be payable in equal quarterly payments, with

interest at the rate of $2\frac{1}{2}\%$ per annum, payable monthly, on the deferred balances. The seller of the equipment will assign said conditional sale contracts with deferred balances of \$450,000 owing thereunder to Anglo-California National Bank of San Francisco and of \$200,000 to American Trust Company of San Francisco. The conditional sale contracts will be in substantially the same form as the contract on file in this proceeding as Exhibit "A."

The Commission has considered applicant's request and is of the opinion that this is not a matter on which a public hearing is necessary; that applicant's request should be granted as herein provided; that the money, property or labor to be procured or paid for by the execution of said conditional sale contracts is reasonably required by applicant for the purpose specified herein, and that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore

IT IS HEREBY ORDERED that Pacific Greyhound Lines be, and it hereby is, authorized to execute, after the effective date hereof and on or before December 31, 1942, conditional sale contracts in, or substantially in, the same form as that filed in this proceeding as Exhibit "A," providing, among other things, for deferred payments aggregating not more than \$650,000 for the purpose of acquiring the sixty-five motor coaches referred to herein.

IT IS HEREBY FURTHER ORDERED that Pacific Greyhound Lines shall, within thirty (30) days after their execution, file with the Railroad Commission a copy of each conditional

sale contract executed under the authority herein granted.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Pacific Greyhound Lines has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Six Hundred Fifty (\$650.00) Dollars.

Dated at San Francisco, California, this 12th day of May, 1942.

Ray L. Bailey
H. H. H. H.
Francis K. Havenner
Richard Jackson
Commissioners.

