

Decision No. 36016

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE CITIZENS TRANSIT COMPANY, a)
 California corporation, for authority)
 to suspend operations under all) Application No. 25395
 authority heretofore granted to it or)
 its predecessors by the Railroad)
 Commission of the State of California,)
 for a period of thirty (30) months)
 from December 15, 1942.)

BY THE COMMISSION:

O P I N I O N

By this application Citizens Transit Company, a corporation, seeks authority: (a) to suspend for a period of thirty months from December 15, 1942 the operations it has conducted as a passenger stage corporation (as defined by section 2-3/4, Public Utilities Act); (b) to sell and transfer to the city of San Buenaventura (a municipal corporation referred to hereafter, for brevity, as the city of Ventura) certain equipment used in the performance of such passenger stage service; and (c) to lease to said city for the term of thirty months commencing December 15, 1942 certain of the equipment used in that service.

Pursuant to certificates granted by the Commission to applicant and its predecessors in interest, applicant conducts a passenger stage service within the city of Ventura, and between

(1)
that city and adjacent points. Applicant now proposes to suspend these operations.

(1) By Decision No. 25010, rendered August 1, 1932, in Application No. 18142, a certificate was granted to H. Bay Webster and M. L. Webster, doing business as Webster Transportation Company, authorizing the operation of a passenger stage service over the following route:

From the intersection of Catalina Street and Thompson Boulevard, in the city of San Buenaventura, north on Catalina Street to Main Street, west on Main Street to Ventura Avenue and north on Ventura Avenue to the intersection of Vince Street, a point two-tenths of a mile north of the north city limits of the city of San Buenaventura, returning by the reverse of the above described route.

H. Bay Webster and M. L. Webster, doing business as Webster Transportation Company, acquired from H. M. Hunt, pursuant to Decision No. 21780, dated November 12, 1929, in Application No. 16044, an operative right authorizing a passenger stage service between Ventura and Ojai and intermediate points via La Crosse and Foster Park.

By Decision No. 25792, rendered April 3, 1933, as amended by Decision No. 25850, rendered April 17, 1933, in Application No. 18718, H. Bay Webster and M. L. Webster, doing business as Webster Transportation Company, were authorized to transfer the operative rights last described to Citizens Transit Company, a corporation, the applicant in the present proceeding.

By Decision No. 31592, rendered December 27, 1938, in Application No. 22443, a certificate was granted to applicant authorizing operation over two additional routes, viz.:

1. Commencing at the present eastern terminus at the intersection of Catalina Street and Thompson Boulevard; thence southerly on Catalina Street to Ocean Avenue, thence easterly on Ocean Avenue to the intersection of Howard Street, in the city of San Buenaventura,
2. Commencing at the present northern terminus at Ventura Avenue and Vince Street; thence northerly on Ventura Avenue to the intersection of Comstock Drive, a point approximately two-tenths of a mile north of the present terminus in Ventura County,

as an extension and enlargement of its existing rights heretofore authorized in Decision No. 25010, dated August 1, 1932.

By Decision No. 33578, dated October 8, 1940, in Application No. 23688, applicant was authorized to conduct a passenger stage service, to be consolidated with its existing operations, over the following routes:

(continued next page)

Applicant and the city of Ventura have entered into a written agreement, dated November 23, 1942, under which applicant has undertaken to sell to the city, and the latter has agreed to purchase from the former four buses, described in the margin, and certain interstate operative rights (but not including the intrastate operative rights involved herein) for the total

(2)
 (1) concluded.

1. Extension of existing service: Commencing at the present eastern terminus at the intersection of Howard Street and Ocean Avenue; thence north on Howard Street to Thompson Avenue; easterly on Thompson Avenue to Borchard Drive; northerly on Borchard Drive to Main Street; easterly on Main Street to "Five Points" and Thompson Avenue; returning westerly on Thompson Avenue to Howard Street, thence present route; distance traversed one-half mile.
2. Additional route: Commencing at the intersection of Dalton Street and Foothill Road; thence westerly on Foothill Road to Santa Paula Street; northerly on Santa Paula Street to McKinley Drive; westerly on McKinley Drive to Seaward Avenue; southerly on Seaward Avenue to Main Street; westerly on Main Street to Catalina Street; southerly on Catalina Street to Thompson Avenue; westerly on Thompson Avenue to East Meta Street; westerly on East Meta Street to Oak Street, northerly on Oak Street to Main Street. Returning easterly on Main Street to California Street; southerly on California Street to East Meta Street, thence via same route to point of commencement; distance traversed 2.7 miles.

(2) The equipment to be transferred by applicant to the city, and the agreed purchase price thereof, are as follows:

Fageol Bus, Engine No. 226931, License No. BEW7233	\$ 498.00
Crown Bus, Engine No. 365194, License No. BEK8397	3,400.00
Federal Bus, Engine No. 556921, License No. BEW7230	2,500.00
Ford Transit, Engine No. 18-3840783, License No. BEW7234	3,600.00

\$ 9,998.00

price of \$10,000.00, of which \$2.00 represents the price to be paid for the interstate operative rights. ⁽³⁾

Of the stipulated purchase price, \$5,000.00 shall be paid on or before December 15, 1942, upon securing this Commission's approval for the transfer of the equipment, and the delivery of this property, under appropriate bills of sale, free of all liens and encumbrances; and the remainder, amounting to \$5,000.00 shall be paid on or before June 30, 1943, during the current city fiscal year, without interest. Title to the property shall pass to the city concurrently with the initial payment of \$5,000.00.

By the terms of a lease dated November 23, 1942, applicant undertakes to lease to the city of Ventura certain equipment, in addition to that covered by the agreement of sale, ⁽⁴⁾ to be used by the city in the operation of its city bus line, and for municipal purposes, for the term of thirty months commencing December 15, 1942 and ending June 15, 1945, for the total rental of \$4,549.80 payable in monthly installments of \$151.66 each, commencing December 15, 1942. The city agrees to

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- (3) We shall not consider the proposal to transfer the interstate operative rights, since this does not fall within our jurisdiction.
- (4) The equipment to be leased by applicant to the city and the agreed market value (which shall also be the purchase price thereof should the city exercise its option to buy such equipment) are as follows:

Bus No. 10	\$ 3,800.00
Bus No. 11	4,200.00
Bus No. 12	5,300.00
Bus No. 15	6,700.00
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	\$ 20,000.00

pay all claims and liabilities that may be asserted against the equipment during the term of the lease, and to assume the payment of all taxes, charges and penalties that may be imposed thereon during that period. The city at any time may surrender the equipment to applicant and thus relieve itself from the payment of any rental thereafter accruing. An exclusive option is granted the city to purchase, at any time during the term of the lease or any extension thereof, the leased equipment at a stipulated value less depreciation at the rate of 10 per cent per annum, from December 15, 1942 to the time of purchase for the period during which the buses may be used by the city. No rental payments may be credited upon the purchase price of the equipment should the city exercise this option. The city undertakes to maintain and repair the equipment. In the event of default by the city in the performance of its obligations, applicant would be entitled to resume possession of the equipment. Should the city fail to exercise its option to acquire all of such equipment, applicant, at the expiration of the term of the lease, may resume the operation of its presently authorized service. However, should the city acquire all of the equipment, applicant would then be precluded from engaging in the business of transporting passengers for hire within Ventura County so long as the city or any one deriving title from it should carry on a like business in this territory.

It is alleged that the city of Ventura proposes to institute, on December 15, 1942, a passenger bus service duplicating that now performed by applicant and that therefore no need would then exist for the continuance of applicant's service, since the public would be amply accommodated by the municipal lines.

In our judgement applicant's proposal will serve the public need, and accordingly the application will be granted. This does not appear to be a matter in which a public hearing is necessary.

O R D E R

Application having been made as above entitled; and the Commission now finding that the public convenience and necessity so require:

IT IS ORDERED as follows:

1. That Applicant, Citizens Transit Company, a corporation, be and it hereby is authorized to suspend for a period of thirty months, commencing December 15, 1942 and ending June 15, 1945, the operation of passenger stage service over the routes and between the points which it has heretofore been authorized to serve, pursuant to certificates of public convenience and necessity heretofore granted to it, or acquired by authority conferred upon it, by this Commission as set forth in the foregoing opinion.

2. That said Citizens Transit Company be and it hereby is authorized to enter into an agreement with the city of San Buenaventura, a municipal corporation, for the sale by applicant to said city of certain motor vehicle equipment, described in the preceding opinion, substantially in the same form as the agreement dated November 23, 1942, a copy of which is attached to and made a part of the application herein, and marked Exhibit A; and that applicant be and it hereby is authorized to transfer said equipment to said city of San Buenaventura as provided by and

in accordance with the terms of said agreement.

3. That said Citizens Transit Company be and it hereby is authorized to enter into an agreement of lease with said city of San Buenaventura, covering the lease of and an option to purchase certain motor vehicle equipment, described in the preceding opinion, substantially in the same form as the agreement of lease dated November 23, 1942, a copy of which is attached to and made a part of the application herein and marked Exhibit B; and that applicant be and it hereby is authorized to lease said equipment to said city of San Buenaventura, and to sell all or any part of said equipment to said city, in the event the option reserved by said lease is exercised wholly or in part, pursuant to and in accordance with the terms of said lease.

4. That the authority herein granted is subject to the following condition :

- (a) Within thirty (30) days after the execution of said agreement, and said lease, said Citizens Transit Company shall file with the Commission a copy of each of said instruments.

5. That in connection with the suspension of said passenger stage service applicant shall comply with the provisions of General Order No. 79 and General Order No. 93-A by filing, in triplicate, and making effective appropriate supplements to its tariffs and time schedules, within sixty (60) days from the effective date hereof and on not less than one

(1) day's notice to the Commission and the public.

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

Dated at San Francisco, California, this 10th day of December, 1942.

Justus J. Pearson
W. H. B. B. B.
Francis L. Hayward
Richard J. ...
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