

Decision No. 37597

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN BERNARDINO VALLEY TRANSIT COMPANY, substituted for RICHARD J. GLASSCOCK, B. T. McKISSOCK, J. B. SHEPARDSON, JESSE W. CURTIS, JR., and WILLIAM GUTRIE, for a Certificate to operate a common carrier omnibus service between Colton and San Bernardino, California.

ORIGINAL

Application No. 26427

BY THE COMMISSION:

ORDER OF DISMISSAL

Applicant passenger stage corporation, finding that additional motor coaches can be acquired more advantageously by lease than by purchase, requests permission to execute a lease agreement with Crown Body & Coach Corporation. Such agreement provides for the lease to applicant of three motor coaches for a three-year term, applicant to pay \$5,839.92 per coach, payable in thirty-six monthly rental installments of \$162.22 each. The equipment is to be returned to the lessor upon the expiration of the lease. The lease is to be of no further effect as to any piece of equipment that may be transferred by order of the Office of Defense Transportation.

Section 52(b) of the Public Utilities Act provides that authorization must be obtained before a public utility may "issue stocks and stock certificates or other evidence of interest or ownership, and bonds, notes and other evidences of indebtedness payable at periods of more than twelve months after the date thereof, * * *."

The phrase "evidence of indebtedness" obviously has different meanings, dependent upon the facts calling for the use of that term, and must be construed in each case in accord with its context. It appears in that section of the regulatory statute which deals with the issuance of stocks, bonds, etc. by public utilities. The Commission has never held that the provisions of that section apply to leases of the character here presented, and we are not prepared to say now that the legislature intended to require Commission authorization before execution of such a lease.

Public hearing appears unnecessary, and

IT IS ORDERED that the above-numbered application be, and it is hereby, dismissed for lack of jurisdiction.

Dated, San Francisco, California, January 3rd, 1945.

Richard R. Ketchum
Justus F. Casper
Frank W. Carr
Joseph H. Lavelle
Commissioners