

Decision No. 3765S

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the
LOS ANGELES RAILWAY CORPORATION

for an order pursuant to Section 52 of
the Public Utilities Act, authorizing
the issuance of conditional sales
contracts in the total sum of
\$490,000.00 for the acquisition of
property consisting of thirty-seven
(37) motor coaches.

ORIGINAL

Application
No. 26534

BY THE COMMISSION:

O P I N I O N

Los Angeles Railway Corporation, now known as Los Angeles Transit Lines, asks permission to execute conditional sales contracts and a loan agreement in the aggregate sum of about \$490,000 for the purpose of acquiring thirty-seven new White Model 798, 44-passenger Single Deck motor coaches.

Applicant's petition shows that it has ordered from The White Motor Company thirty-seven new White Model 798, 44-passenger Single Deck motor coaches. The cost of each

coach exclusive of freight is reported at \$12,661.21, segregated as follows:

White Model 798, 44-passenger Single Deck Coaches, built to comply with Liberty Specifications - less tires.	\$11,350.00 ea.
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Extras allowed under WPB specifications:

Stainless steel stanchions	22.00
Stainless steel hand rails	43.50
Mohair covered seats	183.00
Divided window sash	104.50
Driver's partition	35.00
	<u>\$11,738.00</u>
Federal Taxes	586.90
	<u>\$12,324.90</u>
Loading & Handling	27.50
	<u>\$12,352.40</u>
State Taxes	308.81
	<u>\$12,661.21</u>

Applicant proposes to purchase these coaches through the execution of conditional sales contracts which will provide for equal monthly payments over a period of seven years, with interest at the rate of 3% per annum on the unpaid balances. A financing agreement has been entered into by applicant under date of January 12, 1945 with Bank of America National Trust and Savings Association. Under this agreement the bank will accept an assignment of the conditional sales contracts and pay The White Motor Company in full upon the delivery of the coaches and the proper execution and assignment of the conditional sales contracts. A copy of the financing agreement is on file in this application as Exhibit "B." Attached to it is a copy of applicant's purchase order No. G-6, dated January 6, 1945, placed with The White Motor Company and a copy of the proposed conditional sales contract. As said, The White Motor Company will assign the conditional

sales contracts to the bank. The cost of the coaches, including freight, is estimated at \$490,000.

Upon completion of delivery, it is proposed that all conditional sales contracts covering the various deliveries will be consolidated by a supplemental agreement providing for one consolidated monthly payment date for payments of principal and interest under said contracts, the terms of said contracts to remain otherwise the same.

Applicant proposes to use the thirty-seven coaches for the replacement of older coaches now in service. It is expected that twenty-two of the coaches will be used on lines of the Los Angeles Transit Lines Motor Coach Division and that fifteen will be used on lines of the "Los Angeles Motor Coach Lines."

Applicant reports that the delivery of the coaches has been authorized by the Office of Defense Transportation and the War Production Board.

O R D E R

The Commission having considered applicant's request and it being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by applicant through the execution of the loan agreement and the conditional sales contracts herein

authorized is reasonably required by applicant for the purpose of acquiring said motor coaches; that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED as follows:

1. Los Angeles Transit Lines, formerly Los Angeles Railway Corporation, may execute, after the effective date hereof and on or before September 30, 1945, a loan agreement and conditional sales contracts similar in terms to the loan agreement and conditional sales contract filed in this application as Exhibit "B," all for the purpose of acquiring said thirty-seven motor coaches at an aggregate cost of not to exceed \$490,000.

2. The authority herein granted will become effective when Los Angeles Transit Lines, formerly Los Angeles Railway Corporation, has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Four Hundred and Ninety (\$490.00) Dollars.

3. Within ninety days after the execution of said loan agreement and said conditional sales contracts, or any of them, Los Angeles Transit Lines, formerly Los Angeles Railway Corporation, shall file with the Railroad Commission (a) a true and correct copy of said loan agreement, (b) a true and correct copy of each conditional sales contract

executed, (c) a true and correct copy of the supplemental agreement providing for the consolidation of the monthly payments of principal and interest under said conditional sales contracts, and (d) a statement showing the cost of each of said motor coaches acquired.

Dated at San Francisco, California, this 6th day of February, 1945.

Harold Anderson
Justin F. Cravener
Richard Larkse
Francis E. ...
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 Commissioners.

RECORDS COMMISSION
 STATE OF CALIFORNIA
 #4806
 FEB 9 1945
[Signature]
 SECRETARY