

Decision No. 38550

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Amador Central Railroad Company, a	:	Application
corporation, for authority to sell)	No. 27133
certain properties.	:	
-----)	

BY THE COMMISSION:

O P I N I O N

Amador Central Railroad Company asks permission to sell its right of way, railway line and trackage to Winton Lumber Company, who in turn will lease said properties to applicant under the terms and conditions of the lease on file in this application as Exhibit "A". The properties are more particularly described in the lease.

Applicant is engaged in the transportation of freight as a common carrier by railroad between Yone and Martell in Amador County, California. It owns about 11.97 miles of main line track.

Winton Lumber Company owns all of applicant's outstanding stock amounting to \$400,000, and all of its outstanding bonds amounting to \$207,500. The lumber company operates a lumber mill at Martell, and owns a tract of timber tributary to said lumber mill. It is estimated that its timber lands will be cut over in about fifteen years. The lumber company is dependent upon applicant's service for the transportation of its

products between Martell and Ione, where applicant's line of railroad connects with the railway line of the Southern Pacific.

Applicant's petition shows that it has during the past several years obtained unsecured loans in the approximate amount of \$164,000 for the rehabilitation and reconstruction of its line of railroad in order to maintain the line in suitable condition for continuance of applicant's service. An additional expenditure of about \$50,000 will be required to complete the necessary rehabilitation and reconstruction. This consists principally of regrading, realignment, ballasting, rebuilding of bridges, laying of new ties and replacement of the existing 45 pound rail with 80 pound rail.

Applicant is not in a financial position to pay said loan and finance the additional rehabilitation and reconstruction work. It therefore proposes to sell its railroad right of way, lands and trackage to the Winton Lumber Company for \$160,000. The \$160,000 will be used by applicant to pay approximately \$69,763.39 due the Southern Pacific, and to pay the Winton Lumber Company about \$84,535.28. The remaining \$5,701.23 of the sale price will be used by applicant for working capital and for the payment of current obligations. The Winton Lumber Company will complete the rehabilitation and reconstruction in order that it will have an outlet for the products of its mill at Martell.

Applicant will continue to operate the properties as a common carrier under the lease on file in this application as Exhibit "A". The lease will be in effect from year to year unless notice of termination of the lease at the end of the year.

then current is given by either party at least sixty days before the expiration of such year. We are not by the order herein authorizing the abandonment of service by Amador Central Railroad Company.

O R D E R

The Commission having considered applicant's request, and it being of the opinion this application should be granted, therefore,

IT IS HEREBY ORDERED that Amador Central Railroad Company be, and it is hereby, authorized to sell on or before March 1, 1946, to the Winton Lumber Company its right of way, lands and trackage and properties described in the lease on file in this application as Exhibit "A".

IT IS HEREBY FURTHER ORDERED that this order is effective upon the date hereof.

Dated at San Francisco, California, this 21st day of December, 1945.

L. Harold Perkins
Justin F. Casner
Francis W. Clark
Joseph L. Sweeney
Harold D. Hulse
 Commissioners