

Decision No. 49131

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
PACIFIC ELECTRIC RAILWAY COMPANY, a )  
corporation, and J. L. HAUGH for )  
authority to sell and lease certain )  
passenger operative certificates and )  
certain passenger facilities used in )  
connection therewith. )

Application No. 34249  
First Supplemental.

J. L. Haugh, for himself and Metropolitan Coach Lines.

E. D. Yeomans, for applicant Pacific Electric Railway Company and applicant Metropolitan Coach Lines.

Alan G. Campbell, Assistant City Attorney, T. M. Chubb, Chief Engineer and General Manager, Department of Public Utilities and Transportation, and T. E. Hoffman, for City of Los Angeles, interested party.

Carl F. Fennema, for Downtown Businessmen's Association, interested party.

George E. Bodle by Daniel Fogel, and Irl D. Brett, for the Brotherhood of Railroad Trainmen, Railway Labor Executives' Association, Brotherhood of Railway & Steamship Clerks, Freight Handlers, Express and Station Employees, Order of Railroad Telegraphers, Brotherhood of Railroad Signalmen of America, American Train Dispatchers' Association, Brotherhood of Maintenance of Way Employees, System Federation No. 159, Railway Employees' Department, A.F.L. representing Brotherhood of Railway Carmen of America, International Association of Machinists, International Brotherhood of Boilermakers, Blacksmiths & Helpers, Sheet Metal Workers' International Association, International Brotherhood of Electrical Workers and International Brotherhood Firemen & Oilers, protestants.

O P I N I O N

By Decision No. 48923, dated August 4, 1953, on Applications Nos. 34249 and 34402, Pacific Electric Railway Company was authorized to sell to Metropolitan Coach Lines certain

of its passenger facilities and operative rights and Metropolitan Coach Lines was authorized to issue certain securities pursuant to the terms of an agreement of sale dated March 10, 1953, (Exhibit No. 1 on Applications Nos. 34249 and 34402), which includes, among other things, a requirement that the Interstate Commerce Commission approve such sale. Pacific Electric Railway Company, J. L. Haugh, and Metropolitan Coach Lines now petition for a supplemental order authorizing a modification of the provisions of Decision No. 48923 relative to the sale and lease of properties, pursuant to the agreement of March 10, 1953. The proposed modification would permit the transfers to be made subject to the terms of the agreement dated August 18, 1953, attached to the first supplemental application, and, with certain exceptions, prior to the approval of the Interstate Commerce Commission. The petitioners also request authority to exercise certain franchise rights granted by the City of Los Angeles.

A hearing was held on the first supplemental application before Examiner Rogers in Los Angeles on September 15, 1953, and the matter was submitted.

The evidence shows that Metropolitan Coach Lines has completed its financing and made arrangements for the payment of the monies to be used for financing the purchase and conduct of its operations pursuant to the provisions of Decision No. 48923; that it is necessary to pay interest on these funds from and after October 1, 1953; that Interstate Commerce Commission authority cannot be obtained prior to that date; and that it

harms employee morale and will be detrimental to the service to the public if there is a delay in the taking over of the passenger service by the new operator. The testimony of applicants was that it is proposed to make the transfer effective October 1, 1953, and that the change in the agreement of March 10, 1953, as proposed, will not in any way affect the service to be provided by the new operator.

The evidence shows that the consent of the City of Los Angeles to the transfer, as evidenced by Ordinance No. 102011, a copy of which is attached to the application herein, is the most favorable that can be obtained from the City of Los Angeles, and we find that the terms thereof are not contrary to the public interest.

No one appeared in protest to the first supplemental application. It will be granted.

O R D E R

Evidence having been presented at a public hearing and the matter having been submitted,

IT IS ORDERED:

(1) That Pacific Electric Railway Company and Metropolitan Coach Lines may modify the agreement of sale attached to the original applications herein and marked Exhibit 1, as provided in the agreement of August 18, 1953, attached to the first supplemental application, and said parties may complete the sale, lease and transfer as thereby modified.

(2) That Pacific Electric Railway Company and Metropolitan Coach Lines be, and they hereby are, authorized to exercise the

rights and privileges granted by the City of Los Angeles under the ordinances referred to in Ordinance No. 102011, a copy of which is attached to the first supplemental application, subject to the following conditions:

- (a) That no claim of value for such franchise or the authority hereby granted in excess of the actual cost thereof shall ever be made by the grantees, their successors, or assigns, before this Commission or before any court or other public body.
- (b) That the authority hereby granted shall be without prejudice to the right and authority of this Commission hereafter to exercise fully all jurisdiction vested in the Commission by law with respect to the regulation of the operations and service of the applicant utilities.

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

Dated at San Francisco, California, this 22<sup>nd</sup> day of September; 1953:

R. F. [Signature]  
President

[Signature]

[Signature]

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Commissioners

Justus F. Craomer  
Commissioners... Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.