

ORIGINAL

Decision No. 54501

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
COAST LINE TRUCK SERVICE, INC.,
for an Order Authorizing it to sell
real property located in the cities
of Los Angeles and San Jose,
California

)
Application No. 38665
(and Amendment)

Henry J. Bischoff and Marcellus Marceron
for applicant and for California Terminal
Company.

O P I N I O N

In this application Coast Line Truck Service, Inc., seeks authorization to sell certain real property, located in San Jose and Los Angeles, to California Terminal Company, a corporation.

The application was filed on December 17, 1956 with an amendment being filed January 7, 1957. A public hearing was held before Examiner Coleman in Los Angeles on January 29, 1957, at which time the matter was taken under submission. The Commission has received no protests in the proceeding.

Applicant is engaged in operations as a highway common carrier of freight between San Francisco and Los Angeles and other points. It reports that it has need for additional working capital and that it proposes to sell its San Jose and Los Angeles terminals to obtain funds for this purpose. Its plans call for the sale of the properties to California Terminal Company at their book value of \$96,660.54 and for the lease-back at a monthly rental of \$1,500.

California Terminal Company is a wholly-owned subsidiary of Southern California Freight Lines, Ltd., a nonoperating company which owns the outstanding stock of Southern California Freight Lines, an operating carrier of freight between San Francisco and Los Angeles and other points. Southern California Freight Lines, Ltd., presently is negotiating for the acquisition of the stock of Coast Line Truck Service, Inc.

The record shows that the sale of the terminal properties, as proposed, under the terms of the agreement of sale, will not be made unless and until the arrangements have been completed for the acquisition by Southern California Freight Lines, Ltd., of the stock of Coast Line Truck Service, Inc. It appears from the testimony that the consolidation of the ownership of the stock of the two operating carriers in the hands of the Southern California Freight Lines, Ltd., will be followed by joint use of terminal facilities, economies in operations and improvements in load factors through equalization of freight movements.

The estimated market values of the properties aggregate \$150,088.44. However, under the circumstances outlined herein, we are of the opinion that the transaction, as proposed, will not be adverse to the public interest and we will enter an order granting the application.

The authority herein granted should not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

A public hearing having been held on the above-entitled matter and the Commission being of the opinion the application should be granted, as herein provided,

IT IS HEREBY ORDERED that Coast Line Truck Service, Inc., be, and it hereby is, authorized to sell to California Terminal Company the properties referred to in this application under the terms and conditions set forth therein, provided,

1. That the authorization herein granted will not become effective until applicant has advised the Commission in writing of the completion of the acquisition of its outstanding stock by Southern California Freight Lines, Ltd., and

2. That the operative property herein authorized to be transferred shall not be relieved of its devotion to public use and that its status as public utility operative property shall remain the same as though the transfer herein authorized had not taken place, and

3. That the authorization herein granted, if not exercised, will expire on August 31, 1957, and

4. That applicant shall file with the Commission a copy of each journal entry used to record on its books the sale of the properties under the authorization herein granted, such filing to be made within 30 days after the date of such entries.

Dated at San Francisco, California, this 11th day of February, 1957.

John E. Mitchell
President
Randolph L. Brewer
Walter H. Jones
R. Hardy
E. J. Fox
Commissioners