

ORIGINAL

Decision No. 59112

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHLAND BUS LINES, INC., for authority to transfer its operating rights to SOUTHERN CITIES TRANSIT, INC., dba CROSS TOWN SUBURBAN BUS LINES.

Application No. 41353

John J. Cayer for applicant Southern Cities Transit, Inc., dba Cross Town Suburban Bus Lines, and William D. Bourne for Southland Bus Lines, Inc., applicants.

James H. Lyons for Arthur V. Harvey, protestant.

Henry E. Jordan for Bureau of Franchises and Public Utilities, City of Long Beach;

Warren C. Aldrich for Brotherhood of Railroad Trainmen; interested parties.

Fred G. Ballenger for the Commission's staff.

O P I N I O N

By this application authority is sought to transfer the in lieu certificate of public convenience and necessity issued to Southland Bus Lines, Inc., by Decision No. 58506, dated May 22, 1959, to Southern Cities Transit, Inc., dba Cross Town Suburban Bus Lines. It is not proposed to transfer any other property.

A public hearing was held in Los Angeles before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced the matter was submitted for decision.

The record shows and we find the facts as hereinafter set forth.

Applicant Southland Bus Lines, Inc., a corporation, and its predecessors have been operating a passenger stage service in the Garden Grove area of Orange County, and between Garden Grove

and Long Beach, since 1951.<sup>1/</sup> Applicant (transferor herein) was organized in 1954 and acquired said operating rights pursuant to Decisions Nos. 49943 and 51270. The outstanding shares of said corporation are owned by William D. Bourne and his wife, as joint tenants.

Southern Cities Transit, Inc., and its predecessors have been operating a passenger stage service in the southwestern portion of Los Angeles County for several years.

Southland Bus Lines, Inc., finding itself in financial difficulties and being unable to continue its operations, agreed on or about July 15, 1959, to transfer its operating authority to Southern Cities Transit, Inc., and the latter agreed to continue the service as authorized and operated by Southland Bus Lines, Inc., pending the filing of this application for the necessary consent of this Commission. Said agreement does not include the sale or transfer of any operating property equipment or assets other than the certificate of public convenience and necessity, nor does it provide for the assumption of any liabilities on the part of the transferee, other than obligations incurred in the operation of the service on and after July 15, 1959, the date Southern Cities Transit, Inc., commenced operating with its own equipment. Southland's personnel was retained by Southern Cities. No cash or tangible consideration will be paid by the purchaser for said certificate, the considerations being that seller will be relieved of future losses which will be assumed by the purchaser for an indefinite period in the

---

<sup>1/</sup> Southland Bus Lines, Inc., also has authority to operate a service under school contracts but was not successful in obtaining a renewal of these contracts for the coming term. However, all other passenger stage services are being operated as authorized.

hope that through better management the operation may become profitable. The public in the meantime will benefit by the continuation of uninterrupted service which would not otherwise be available.

Southland Bus Lines, Inc., is unable to continue the service as its operating equipment has been returned to or repossessed by the sellers or lessees and because it is insolvent as appears from the following statement as of August 15, 1959 (Exhibit J of First Amendment to application):

Total Assets	\$ 1,153.00	
Total Liabilities	37,833.19	
Net Loss		<u>\$36,680.19</u>

Represented by		
Capital Stock Outstanding	\$ 2,600.00	
Deficit	(39,280.19)	
		<u>\$36,680.19</u>

For the period of January 1 to May 31, 1959, the operating loss was \$13,903.89.

On the other hand Southern Cities Transit, Inc., is a well managed company in sound financial condition as is shown by its statements of December 13, 1958:

Total Assets	\$295,518.06	
Total Liabilities	156,568.28	
Net Worth		<u>\$138,949.78</u>

Represented by		
Capital Stock Outstanding	\$ 45,000.00	
Surplus	93,949.78	
		<u>\$138,949.78</u>

For the year 1958 purchaser had a net income, before income taxes, of \$35,806.46.

No evidence was presented by Arthur V. Harvey, The Bureau of Franchises and Public Utilities of the City of Long Beach nor the

Brotherhood of Railroad Trainmen to justify a denial of this application. As the record clearly shows, the public interest would be served by the proposed transfer of the operating authority.

The Commission having considered the matter is of the opinion and finds that the proposed transfer is not adverse to the public interest. The application will be granted.

By Decision No. 59054, dated September 29, 1959, in Application No. 41279, the Commission authorized applicant Southern Cities Transit, Inc., to enter into a consolidation agreement with Whittier Bus Lines, Inc., pursuant to which the consolidated companies would be known as Cross Town Suburban Bus Lines, Inc., a corporation. The order which follows will provide for the issuance of the requested authority to Cross Town Suburban Bus Lines, Inc.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises, having found facts as hereinabove set forth, and good cause appearing,

IT IS ORDERED:

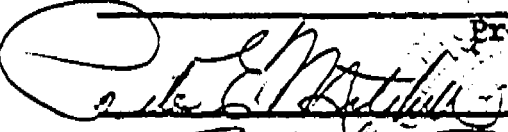

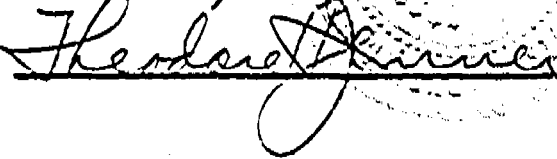
(1) That Southland Bus Lines, Inc., a corporation, may sell and transfer, on or before sixty days after the effective date of this order, to Cross Town Suburban Bus Lines, Inc., a corporation, its operating authority, said sale to be made substantially upon the terms and conditions as set forth in the agreement of sale filed as Exhibit A with this application, and Cross Town Suburban Bus Lines, Inc., may acquire said operating authority and shall continue the transportation service as heretofore authorized.

(2) That within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend tariffs on file with the Commission, naming fares, rules and regulations governing the operations involved in the preceding ordering paragraph (1) to show that Southland Bus Lines, Inc., a corporation, has withdrawn and Cross Town Suburban Bus Lines, Inc., a corporation, has adopted as its own said fares, rules and regulations.

(3) That in the event the authority herein granted is exercised, Cross Town Suburban Bus Lines, Inc., shall notify the Commission in writing of the fact within thirty days after the date of the transfer.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 6th day of October, 1959.

  
 \_\_\_\_\_ President  
  
 \_\_\_\_\_  
  
 \_\_\_\_\_  
 \_\_\_\_\_ Commissioners

Everett C. McKeage  
Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.