

ORIGINALDecision No. 66024

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of LONG BEACH PUBLIC TRANSPORTATION
COMPANY, LONG BEACH MOTOR BUS
COMPANY and LONG BEACH CITY LINES,
INC., to dissolve a public utility,
surrender certificate of public
convenience and necessity and
transfer assets to nonprofit corpo-
ration.

Application No. 45742

O P I N I O N

Long Beach Motor Bus Company and Long Beach City Lines, Inc., request authority to sell and transfer assets and passenger stage operating authority to Long Beach Public Transportation Company.

The Long Beach Public Transportation Company was formed on March 15, 1963, by leading citizens of Long Beach at the request of the City Manager of the City of Long Beach. The request followed a charter amendment, approved by the electorate in 1962 and ratified by the Legislature in 1963. The amendment provided that the City Council could levy a tax of not to exceed 5 cents per \$100 assessed valuation on all property within the city in order to acquire and maintain a public transportation system or to financially assist a nonprofit corporation to acquire and operate such a system.

Under its Articles of Incorporation, the Long Beach Public Transportation Company has seven directors and two ex officio members appointed by the City Manager. The Articles also provide that all of the capital stock will be issued to the City of Long Beach. The Corporation was not organized for profit and no part of the property or earnings can ever inure to the benefit of any person or company, except the City of Long Beach.

The agreed consideration is \$900,000 to be paid to National City Lines, Inc., parent company of applicant sellers, in consideration for all of the outstanding stock of applicant sellers.

To secure the necessary funds for the purchase and acquisition of additional equipment, Long Beach Public Transportation Company obtained a loan of \$1,250,000 at 2.9 percent interest (6 percent in the event the interest paid on the loan is taxable) from the United States National Bank of San Diego, payable in monthly installments over a ten-year period commencing on November 1, 1963.

Upon the acquisition of the stock of applicant sellers, it is the intention of applicant purchaser to dissolve the two wholly owned subsidiaries.

Applicant purchaser requests a ruling from this Commission to the effect that it is not subject to its jurisdiction and, therefore, not required to obtain approval for the issuance of its stock to the City of Long Beach. It also requests expeditious disposition of the instant application in order that it may exercise its right as a tax exempt corporation from the payment of excise taxes on twenty-five newly purchased coaches.

After consideration the Commission finds that:

1. Long Beach Public Transportation Company would be a publicly owned and operated utility and as such would not be subject to the jurisdiction of this Commission.
2. The proposed sale and transfer would not be adverse to the public interest and a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or before April 1, 1964, Long Beach Motor Bus Company and Long Beach City Lines, Inc., may sell and transfer to Long Beach Public Transportation Company all of their assets and the operating

authority granted by Decisions Nos. 60707, 61145, 61527, 63239 and 64085.

2. Within thirty days after the consummation of the transfer herein authorized Long Beach Public Transportation Company shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. Concurrent with the consummation of the transfer herein authorized Long Beach Motor Bus Company and Long Beach City Lines, Inc., may discontinue service and on not less than two days' notice to the Commission and to the public said applicants shall make appropriate filings canceling their respective tariffs and timetables presently on file with this Commission.

4. Concurrent with the tariff and timetable filings required by ordering paragraph 3 hereof, the operating authority granted by Decisions Nos. 60787, 61145, 61527, 63239 and 64085 is hereby revoked.

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

Dated at San Francisco, California, this 17th day of SEPTEMBER, 1963.

William L. Burnett
President

George L. Grover
Commissioner

Frederick B. Hallock
Commissioner