

**ORIGINAL**

Decision No. 69351

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of CALIFORNIA MOTOR TRANSPORT CO., )  
a California corporation, to sell )  
real property. )

Application No. 47677  
Filed June 17, 1965

O P I N I O N

California Motor Transport Co. requests authorization from the Commission to sell and transfer to California Motor Realty certain real property which it will lease back. According to the application, both companies are wholly-owned subsidiaries of City Transit Systems.

Applicant is a California corporation conducting business as a highway common carrier of general commodities, with certain exceptions, between various points and places in California under a certificate of public convenience and necessity granted by this Commission. The company also transports property under permits issued by this Commission and is subject to the jurisdiction of the Interstate Commerce Commission.

The application shows that California Motor Transport Co. presently owns and operates terminal properties located in Kern and Yolo Counties, which it acquired as of February 19, 1965, for respective costs of \$53,400 and \$25,130. Applicant reports that it desires to sell and transfer said terminal properties

to its affiliate, California Motor Realty, for cash, at their depreciated book value as of the date of transfer, but not to exceed \$138,530. Concurrently with the transfer, the purchaser will lease back the terminal facilities to applicant and to California Motor Express, Ltd., which is also wholly-owned by City Transit Systems. A description of the properties included in the sale and lease back is attached to the application as Exhibit A.

Applicant asserts that its affiliate, California Motor Express, Ltd., recently consummated a similar transaction with California Motor Realty pursuant to authority granted by Decision No. 68639, dated February 24, 1965, in Application No. 47326. It appears that the sale and transfer contemplated in this proceeding are in the interest of having the real property of both operating affiliates owned by California Motor Realty. Applicant alleges that the lease back arrangement will assure it of continued availability of said properties to the extent required in discharging its responsibilities to the public.

The Commission has considered this matter and finds that the proposed transactions will not impair applicant's ability to serve the public and will not be adverse to the public interest. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The action taken herein shall not be construed as a finding of the value of the properties authorized to be

transferred nor as approval of the transactions involved for any rate-making purposes.

O R D E R

IT IS ORDERED that California Motor Transport Co., in accordance with the conditions set forth in this proceeding, may sell and transfer to California Motor Realty, a corporation, the properties described in Exhibit A, attached to the application.

The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 7th day of JULY, 1965.

Frederick B. Hallock  
President

George H. Grover

Augustor

William W. Bennett  
Commissioners