

ORIGINAL

Decision No. 91811 MAY 20 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of NEW TRAILS, INC., a corporation,
to control TRAILWAYS, INC., a
corporation, and its wholly-owned
subsidiary AMERICAN BUSLINES, INC.,
a corporation, common carriers.

Application No. 59380
(Filed January 15, 1980)

O P I N I O N

Applicant New Trails, Inc., a corporation, requests authority to control Trailways, Inc., a passenger stage corporation, and American Buslines, Inc., a passenger stage corporation and a wholly-owned subsidiary of Trailways, Inc.

The application shows that applicant was incorporated in July 1979 and that the persons who respectively hold the office of Chairman of the Board of Directors, President, and Executive Vice President with applicant and Trailways, Inc. held similar positions with Gelco Bus Leasing immediately prior to the formation of applicant and before that held similar management positions with Greyhound Lines, Inc. for many years. Applicant expects to pay the total purchase price of \$111,000,000 for all of the issued and outstanding stock of Trailways, Inc., presently held by Holiday Inns, Inc. Capitalization of applicant has been completed, including arrangements for the long-term financing required to discharge in cash the total purchase price for the stock of Trailways, Inc. Such long-term financing, the application alleges, is sufficient to permit payment in full of the entire purchase price to Holiday Inns, Inc. on final closing, and repayment of such long-term financing is well within the anticipated financial ability of applicant.

Applicant requests waiver of Rule 36(b) of the Commission's Rules of Practice and Procedure which requires filing a copy of the agreement for sale. That request should be granted in order to expedite the processing of this matter.

Applicant's consolidated balance sheet as of August 31, 1979, after giving effect to the proposed control transaction, shows it to have a net worth of \$21 million. Included are not only the passenger stage corporations' properties but the properties of Trailways Food Service, Inc. and Trailways Distributing Co., affiliated companies.

Notice of the filing of the application appeared on the Commission's Daily Calendar of January 16, 1980. No protests to the application have been received. Applicant states that the proposed control is in the public interest.

Findings of Fact

1. Applicant is adequately financed to effect the purchase of the stock of Trailways, Inc.
2. Its management team and the management team of Trailways, Inc. are highly qualified. This control and management will result in reliable and dependable service responsive to the public need.
3. The proposed control of Trailways, Inc. and American Buslines, Inc. by applicant is not adverse to the public interest.

Conclusions of Law

1. The application should be granted.
2. Applicant's request for waiver of Rule 36(b) should be granted.
3. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. New Trails, Inc. is authorized to acquire control of Trailways, Inc. and American Buslines, Inc., as set out in the application.

2. This authorization shall expire if not exercised within one hundred twenty days from the date hereof, or within such additional time as may be authorized by the Commission.

3. Written notice of the consummation of the control transaction as authorized herein shall be filed with the Commission upon its completion.

4. The requirements of Rule 36(b) of the Commission's Rules of Practice and Procedure are waived with respect to the requirement that a copy of the agreement covering the transactions authorized herein be filed with the application in order to expedite consummation of the transaction. However, New Trails, Inc. shall file with the Commission a copy of the agreement covering the subject transaction at the time of the filing of the notice of consummation as required in Ordering Paragraph 3.

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

Dated MAY 20 1960, at San Francisco, California.

John E. Bryan President
James L. Lott
Richard W. Haville
Clair J. DeLoach
Samuel W. ... Commissioners