

Decision No. 31636

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SPECIAL DELIVERY SERVICE COMPANY,  
a corporation, for authority to issue  
stock, and of ARNOLD ADDLESTONE, to  
transfer his highway motor freight  
business to SPECIAL DELIVERY SERVICE  
COMPANY.

ORIGINAL

Application No. 22451

BY THE COMMISSION:

OPINION AND ORDER

In this proceeding the Railroad Commission has been asked to make its order authorizing Arnold Addlestone to transfer his highway common carrier properties to Special Delivery Service Company, a corporation, and authorizing Special Delivery Service Company to issue in payment seventy shares of its common capital stock of the aggregate par value of \$7,000.00.

It appears that Arnold Addlestone is engaged in the business of operating a highway common carrier service for the transportation of property between San Leandro, Alameda, Oakland, Piedmont, Emeryville, Berkeley, Albany and El Cerrito and intermediate points under a certificate of public convenience and necessity acquired by him by purchase from V. Fred Jakobsen pursuant to the authority granted by Decision No. 31319, dated October 3, 1938 in Application No. 22251<sup>(1)</sup>.

The physical properties used in the operations consist of nine 1938 Ford panel delivery trucks, together with miscellaneous furni-

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(1) The certificate of public convenience and necessity originally was granted to V. Fred Jakobsen by Decision No. 28246, dated September 30, 1935, in Application No. 19884.

ture, fixtures and equipment.

The application shows that said Addlestone desires to incorporate his business and to that end has caused the organization on or about November 16, 1938 of Special Delivery Service Company, to which he proposes to transfer the certificate of public convenience and necessity and the physical properties referred to above. The agreed consideration for the transfer is seventy shares of the capital stock of the new corporation of the par value of \$100. each.

The Commission has considered the application and is of the opinion that a public hearing is not necessary, that the requests of applicants should be granted, as herein provided, that the money, property or labor to be procured or paid for through the issue of said stock is reasonably required for the purpose specified herein and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED that Arnold Addlestone be and he hereby is authorized to transfer to Special Delivery Service Company, on or before February 28, 1939, the certificate of public convenience and necessity acquired by him pursuant to authority granted by Decision No. 31319, dated October 3, 1938, and the physical properties referred to herein, and Special Delivery Service Company be and it hereby is authorized to issue, on or before February 28, 1939, in exchange therefor, not exceeding seventy shares of its common capital stock of the aggregate par value of \$7,000.00.

The authority herein granted is subject to the following conditions:-

1. Arnold Addlestone and Special Delivery Service Company, a corporation, applicants herein, shall join in common supplement to be filed with the Commission in triplicate, the former withdrawing from the tariffs on file by him with the Commission naming rates and charges for the transportation of property, and the latter adopting

and establishing as its own such tariffs and all effective supplements thereto.

2. Special Delivery Service Company shall file, in duplicate, time schedules covering its service under the operating rights herein authorized to be transferred to it, such time schedules to be identical with those heretofore filed by Arnold Addlestone or time schedules satisfactory to the Commission.

3. The rights and privileges herein authorized to be transferred may not hereafter be sold, transferred, leased nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission has first been secured.

4. No vehicle may be operated by Special Delivery Service Company under the authority herein granted, unless such vehicle is owned by it or is leased by it under a contract or agreement on a basis satisfactory to the Commission.

5. Special Delivery Service Company shall keep such record of the issue of the stock herein authorized as will enable it to file within thirty(30) days thereafter, a verified report as is required by the Railroad Commission's General Order No. 24-A, which order insofar as applicable, is made a part of this order.

6. The authority herein granted to sell and transfer the rights and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

7. Special Delivery Service Company shall, prior to the commencement of service as authorized herein, and continuously thereafter, comply with all the provisions of the Commission's General Order No. 91.

8. The authority herein granted will become effective upon the date hereof.

The Commission hereby places Special Delivery Service Company upon notice that certificates of public convenience and necessity granting operating rights do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state, which is not in any respect limited in the number of rights which may be given.

DATED at San Francisco, California, this 9<sup>th</sup> day of January, 1939.

Paul W. Chapman  
Frank R. Dineen  
Ray A. Curry  
W. H. Miller  
James J. Caseman

COMMISSIONERS.