

ORIGINAL

Decision No. 44042

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Charles Manfre Transportation Co., Inc. doing business as WATSONVILLE TRANSIT SYSTEM, for authority to execute conditional sale contract to acquire additional automotive equipment.)))))))	Application No. 31168
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In the Matter of the Application of CHARLES MANFRE TRANSPORTATION CO. for a permit authorizing it to issue its securities.)))))))	Application No. 31284
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In the Matter of the Application of CEARLES MANFRE, dba WATSONVILLE TRANSIT SYSTEM, to sell and CHARLES MANFRE TRANSPORTATION CO., INC. to purchase an automotive passenger line operated between Watsonville and Adjacent Territories, California.))))))))))	Application No. 31285
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O P I N I O N

In these applications, the Commission is asked to authorize Charles Manfre to sell an automobile passenger line to Charles Manfre Transportation Co., a corporation, and to authorize said corporation to issue 1,000 shares of stock, without par value, and to execute a conditional sale contract for \$8,641.18 for the purchase of a new passenger coach.

The records of the Commission show that Charles Manfre, doing business as Watsonville Transit System, is engaged in the operation of motor coaches for the transportation of passengers between Watsonville and Freedom, Interlaken and Pajaro, and intermediate points, under a certificate of public convenience and

necessity granted by the Commission by Decision No. 41460, dated April 13, 1948, in Application No. 29209, and that in addition he is engaged in business as a radial highway common carrier, a high-way contract carrier and a city carrier for the transportation of property. In Exhibit F attached to Application No. 31284, he reports, for the year 1949, revenues and expenses, exclusive of income taxes, as follows:

	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Watsonville Transit System	\$ 21,168.13	\$ 22,107.38	\$ (939.25)
General transportation	<u>141,917.98</u>	<u>128,046.07</u>	<u>13,871.91</u>
Total	<u>\$163,086.11</u>	<u>\$150,153.45</u>	<u>\$12,932.66</u>

The applications show that applicant Manfre's properties, in addition to his certificate of public convenience and necessity, include eleven tractors and trailers, one flat-bed truck, four tankers, three motor coaches, one school bus, one sedan and one pick-up, together with shop and yard equipment, parts and office furniture and equipment. He reports the cost and present value of his assets, and the amount of chattel mortgages on his truck equipment and his sedan, as of March 1, 1950, as follows:

	<u>Cost</u>	<u>Present Value</u>
Automotive equipment	\$89,953.04	\$64,705.38
Shop and yard equipment	3,933.70	2,726.76
Shop parts	534.50	534.50
Bus equipment and parts	1,281.61	963.46
Office furniture and equipment	<u>1,716.85</u>	<u>1,556.40</u>
Total	<u>\$97,419.70</u>	\$70,486.50
Chattel mortgages		<u>39,460.16</u>
Balance		<u>\$31,026.34</u>

The passenger line equipment and parts are included in the foregoing tabulation at a total cost of \$9,857.27 and at a

total present value of \$6,133.80.

It is reported that applicant Manfre has other interests and that he desires to transfer his transportation properties and activities to a corporation he has caused to be organized for the purpose of taking over such properties and thereafter of continuing the operations. The new corporation, named Charles Manfre Transportation Co., proposes to issue 1,000 shares of stock, without par value, to applicant Manfre in acquiring the properties and operations.

The corporation has entered into an agreement with GMC Truck & Coach Division of General Motors Corporation to purchase for \$8,641.18, including federal tax and California use tax, one transit type hydramatic coach. It proposes to execute a conditional sale contract providing for a down payment of \$1,741.18, leaving a balance of \$6,900 to be paid over a period of 36 months. It reports that the acquisition of the new coach will improve service and should result in operating economies.

The order herein will authorize the transfer of the properties, as proposed, and the issue of stock, assumption of indebtedness and execution of the conditional sale contract by the corporation. Charles Manfre Transportation Co. is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. 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 to the number of rights which may be given.

O R D E R

The Commission having considered the above entitled matters and being of the opinion that public hearings thereon are 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 1,000 shares of stock and the execution of a conditional sale contract is reasonably required by Charles Manfre Transportation Co. for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Charles Manfre, after the effective date hereof and on or before July 31, 1950, may transfer to Charles Manfre Transportation Co., a corporation, the properties referred to herein, including the certificate of public convenience and necessity granted by Decision No. 41460, dated April 13, 1948.
2. Charles Manfre Transportation Co., a corporation, after the effective date hereof and on or before July 31, 1950, in payment for such properties, may issue not exceeding 1,000 shares of its stock, without par value, and may assume the payment of chattel mortgages of not exceeding \$39,460.16.
3. Charles Manfre Transportation Co., a corporation, after the effective date hereof and on or before July 31, 1950, may execute a conditional sale contract, in substantially the same form as that filed in Application No. 31168, providing for a total payment of \$8,641.18, to finance the cost of a new motor coach.

4. Charles Manfre and Charles Manfre Transportation Co., a corporation, shall comply with the provisions of General Order No. 79 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, appropriate tariffs and time tables within sixty (60) days after the date hereof and on not less than five (5) days' notice to the Commission and to the public.

5. Charles Manfre Transportation Co., a corporation, shall file with the Commission a report of the issue of said shares of stock and of the execution of a conditional sale contract as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

7. The authority herein granted will become effective when Charles Manfre Transportation Co., a corporation, has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

8. Charles Manfre Transportation Co., a corporation, shall include such provisions in its accounting records as may be required to provide a complete segregation of the revenues and expenses between those applicable to its passenger line operations and those applicable to its other operations.

A. 31168, 31284, 31285 MMW

Dated at San Francisco, California, this 18th day
of April, 1950.

R. Z. [Signature]
Justus F. Casner
W. A. [Signature]
Harold P. Hills
[Signature]
Commissioners

