

Decision No. 44933**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of)

(1) SACRAMENTO-CORNING FREIGHT LINES,)
LTD., to transfer its rights and)
properties, and)(2) VALLEY MOTOR LINES, INC., to)
acquire the rights and properties)
of Sacramento-Corning Freight)
Lines, Ltd.)

Application No. 31396

O P I N I O N

In this application as amended, the Commission is asked to make an order authorizing Sacramento-Corning Freight Lines, Ltd., hereinafter referred to as Sacramento, to transfer all of its assets and liabilities, including its operative rights, to Valley Motor Lines, Inc., hereafter referred to as Valley.

The application shows that Sacramento is a highway common carrier engaged in the transportation of property generally between Redding and Sacramento and intermediate points, and other points in the Sacramento Valley, pursuant to authority granted by the Commission by Decisions No. 22396, No. 28651, No. 32813, No. 32959, No. 34583, No. 35005 and No. 35349. In a financial statement filed in this proceeding it reports its operating revenues for the year 1949 at \$173,118.14, with a net loss for the year of \$687.72. It reports its assets and liabilities as of the close of 1949 as follows:

Assets

Fixed assets -		
Equipment and buildings	\$60,062.14	
Less-Reserve for depreciation	<u>34,991.14</u>	
Net investment		\$25,071.00
Investment securities		6,383.35
Intangibles		6,054.68
Current assets		33,272.82
Deferred debits		<u>783.17</u>
Total		<u>\$71,565.02</u>

Liabilities and Net Worth

Current liabilities		\$16,237.84
Reserve for uncollectible accounts		4,349.78
Net worth -		
Common stock	\$42,450.00	
Earned surplus	<u>8,527.40</u>	
Total net worth		<u>50,977.40</u>
	Total	<u>\$71,565.02</u>

Sacramento's outstanding stock is held by Valley, a corporation also engaged in business as a highway common carrier of property between San Francisco and Oakland and points in the San Joaquin and Sacramento Valleys. Valley reports that it desires to unify the properties and operations and that therefore it has made arrangements to take over all the assets and liabilities of Sacramento, at their current book value, for the consideration of the surrender by Valley of the outstanding shares of stock of Sacramento. As shown in the preceding balance sheet, the net worth of Sacramento as of the close of 1949 was \$50,977.40 whereas it is reported in the application that Valley's investment in the stock of Sacramento is carried on its books at a net figure of \$58,045.04. Valley proposes, in taking the assets and liabilities of Sacramento onto its books, to charge off the difference of \$7,067.64 between the two figures to its surplus account through Account 8200-- Extraordinary Income Charges.

It appears that among the liabilities to be assumed is a note in favor of Gene and Angela Antichi, which note is dated as of July 1, 1949. Valley proposes to execute a new note to replace the outstanding note, to be in the amount of approximately \$8,000, payable on demand and if no demand be made, then on 90 days after date, with interest at the rate of 5% per annum.

In support of the application, applicants state that the consolidation will result in certain economies by the elimination of separate records and that the service to the public will be improved, particularly with reference to the tracing of shipments and more expeditious handling of loss and damage claims.

The two applicants have published joint rates. Valley proposes to conduct the operations heretofore performed by Sacramento in its own name except that it will eliminate from the existing operative rights of Sacramento the right to transport uncrated household goods.

A review of the application indicates that the proposed transfer will not be adverse to the public interest. The action taken in this proceeding shall not be considered to be a finding of the value of the properties herein authorized to be transferred. A similar application to the Interstate Commerce Commission has been granted. Other carriers in the territory have informed the Commission that they do not desire to protest the granting of the application as amended.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing thereon is not necessary; that the application should be granted, as herein provided; that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by Valley Motor Lines, Inc. for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

(1) Sacramento-Corning Freight Lines, Ltd., after the effective date hereof and on or before December 31, 1950, may transfer to Valley Motor Lines, Inc. all its assets and liabilities, including the operative rights referred to in the foregoing opinion, and Valley Motor Lines, Inc. may acquire said assets and assume the payment of said liabilities, provided that the operative rights to be thus transferred will be modified so as to eliminate therefrom the right to transport uncrated household goods, as requested.

(2) Valley Motor Lines, Inc., after the effective date hereof and on or before December 31, 1950, may issue a note in the principal amount of not exceeding \$8,000 for the purpose set forth in this application, which note shall be in, or substantially in, the same form as that filed with the amended application herein as Exhibit A.

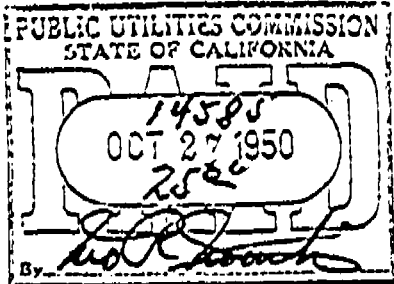
(3) Valley Motor Lines, Inc. shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A, by filing, in triplicate, and concurrently making effective, appropriate tariffs and timetables on not less than one (1) day's notice to the Commission and to the public.

(4) Valley Motor Lines, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

(5) The authority herein granted shall not be exercised until Valley Motor Lines, Inc. has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five dollars (\$25.00).

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at Los Angeles, California, this 24th day of October, 1950.



[Signature]
Justin F. Cravner
Grant Lowell
Harold P. Hule
Kenneth Potter
 COMMISSIONERS