

ORIGINAL

Decision No. 46974

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 (a) PAUL L. PETERSON and DON HEMSTED )  
 to sell, and DON H. HAWKEY to purchase, )  
 certain highway common carrier rights ) Application No. 33213  
 and equipment; (b) DON H. HAWKEY for an )  
 in lieu certificate; and (c) DON HAWKEY )  
 and PAUL L. PETERSON for authority to )  
 enter into joint rates. )

O P I N I O N

An order is sought herein (a) authorizing Paul L. Peterson  
 (1)  
 to sell the portion of his operative rights, between Redding and  
 Alturas and intermediate points, to Don H. Hawkey; (b) authorizing  
 (2)  
 Paul L. Peterson to sell the portion of his operative rights,  
 between Sacramento and certain named points, on the one hand, and  
 all points between Bella Vista and Alturas, on the other hand,  
 together with certain equipment, to Don H. Hawkey; (c) authorizing  
 (3)  
 Don Hemstead to sell his operative rights between:

(1) Willow Creek, Redding, Mad River, Minersville and  
 intermediate points,

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(1) Operative rights between Redding and New Pine Creek, and all  
 intermediate points, via Alturas, were created by Decision No.  
 34617, dated September 23, 1941, and by Decision No. 41421,  
 dated April 6, 1948, in Application No. 29196, were conveyed  
 to Peterson.

(2) Operative rights between Sacramento, North Sacramento, West  
 Sacramento, McClellan Field, San Francisco, South San Francisco,  
 Oakland, Alameda, San Leandro, Emeryville, Berkeley, Albany,  
 El Cerrito and Richmond, on the one hand, and all points between  
 Bella Vista, in Shasta County, and New Pine Creek, in Modoc  
 County, including the City of Alturas, on the other hand, were  
 created by Decision No. 46520, dated December 11, 1951, in  
 Application No. 32363.

(3) Such operative rights were transferred to Hemstead pursuant to  
 the provisions of Decision No. 45228, dated January 3, 1951,  
 in Application No. 31879.

- (2) Willow Creek, Redding, Mad River and Minersville, excluding Willow Creek, on the one hand, and, on the other hand, Scotia, Trinidad, Willow Creek and intermediate points via Eureka, Arcata and Blue Lake, excluding Willow Creek,

together with certain equipment to Don H. Hawkey; (d) authorizing the establishment of joint rates and through routes by Paul L. Peterson and Don H. Hawkey between all points which the latter will be authorized to serve, on the one hand, and all points which the former will continue to serve, on the other hand, if this application is granted; and (e) granting a certificate restating the operative rights, the authority to transfer which, is herein requested and containing the following restriction:

Between San Francisco, South San Francisco, Oakland, Alameda, San Leandro, Emeryville, Berkeley, Albany, El Cerrito and Richmond, on the one hand, and points on U. S. 101 between Trinidad and Scotia, inclusive, on the other hand, service shall be performed on the basis of rates no lower than the minimum rates prescribed by the Public Utilities Commission of California for the constructive mileage via the actual route of operation, namely, via Redding.

Copies of the agreements of sale, dated January 7, 1952, and February 1, 1952, attached to the application as Exhibits "A" and "B", respectively, provide in substance as follows:

- (1) Don H. Hawkey is to pay Paul L. Peterson the sum of \$13,000, of which \$3,000 is allocated to one Brown van semi-trailer, Serial No. 81767, 1948 model, and \$10,000 to the operative rights. Five thousand dollars was paid upon execution of the agreement and the balance of \$8,000 is due at such time as approval is obtained from the Interstate Commerce Commission and this Commission.

- (2) Don H. Hawkey is to pay Don Hemstead \$1,000 for one 1951 Mack truck tractor and assume the balance of the purchase price due the Bank of America thereon, and the sum of \$5,000 for the

operative rights involved, of which \$1,500 was paid upon the execution of the agreement, the balance of \$3,500 being due when this Commission shall have approved this transaction.

Applicant Don H. Hawkey alleges that he is a highway common carrier transporting lumber and forest products over extensive routes in California pursuant to authority heretofore granted by this Commission; that he has modern and efficient equipment; that he is now constructing a terminal at Redding; that it is his intention to establish adequate terminal facilities in the Bay and Sacramento areas.

The following tabulation, prepared from Exhibit "D", shows the assets, liabilities and net worth of Don H. Hawkey, as of December 31, 1951:

Assets

Current Assets -

Cash	\$ 11,250.84	
Accounts Receivable	50,470.40	
Prepaid Insurance and Interest	<u>7,992.74</u>	
Total Current Assets		\$ 69,713.98

Tangible Property -

Revenue Equipment	296,328.25	
Less depreciation reserve	<u>164,559.19</u>	
		31,769.06

Other Tangible Property	57,310.64	
Less depreciation reserve	<u>11,141.71</u>	
		<u>46,168.93</u>
Net Tangible Property		247,651.97

Intangible property		663.42
Deferred debits		<u>2,498.53</u>
Total Assets		250,813.92

Liabilities and Net Worth

Current Liabilities -

Accounts Payable	\$ 25,563.25	
Accrued Taxes	<u>6,959.43</u>	
Total Current Liabilities		32,522.68

Equipment obligations	\$ 87,952.07	
Other long term obligations	<u>8,202.13</u>	
Total		\$ 96,154.20
Net Worth		
Capital	122,137.04	<u>122,137.04</u>
	Total Liabilities	<u>250,813.92</u>

Profit and loss statements indicate that for the year ending December 31, 1951, Paul L. Peterson and Don Hemstead each conducted his respective operation at a loss of \$654.38 and \$12,665.73.

We find that the public interest will not be adversely affected by approval of the transfer of the operative rights and property with which we are here concerned. In so doing we make no finding as to the value of the operative rights and property involved.

The ensuing order will restate the operative rights herein authorized to be transferred.

Applicants allege that joint rates are now in effect between Peterson and Hemstead, respectively, on the one hand, and other highway common carriers serving between San Francisco Bay points and other places and Redding, on the other hand; that establishment of joint rates as requested herein will afford a through service between San Francisco Bay points and New Pine Creek; that such joint rates will permit service to and from points east of Redding, and between points east of Redding, on the one hand, and points west of Redding, on the other hand; that Hawkey and Peterson propose local and joint rates based on the Commission's minimum rates resulting from the application of constructive mileages contained in Constructive Mileage Table No. 3.

We find that the public interest will be served by permitting the establishment of joint rates as requested in the application.

Copies of the application were served upon such highway common carriers as may have had an interest therein. No protests to the granting of the application were received.

An order will be made granting the authority sought. A public hearing is not necessary.

O R D E R

An application having been filed and the Commission being of the opinion that the authority requested should be granted,

IT IS ORDERED:

(1) That Paul L. Peterson after the effective date hereof and on or before September 23, 1952, may sell and transfer to Don H. Hawkey the operative rights and property referred to herein and the latter may acquire and thereafter operate the same, such sale and transfer to be made in accordance with the terms of the contract attached to the application as Exhibit "A".

(2) That Don Hemstead after the effective date hereof and on or before September 23, 1952, may sell and transfer to Don H. Hawkey the operative rights and property referred to herein and the latter may acquire and thereafter operate the same, such sale and transfer to be made in accordance with the terms of the contract attached to the application as Exhibit "B".

(3) That a certificate of public convenience and necessity is granted to Don H. Hawkey, authorizing the establishment and operation of service as a highway common carrier, as that term is defined in Section 213 of the Public Utilities Code, for

the transportation of general commodities:

- (a) Between Sacramento, North Sacramento, West Sacramento, McClellan Field, San Francisco, South San Francisco, Oakland, Alameda, San Leandro, Emeryville, Berkeley, Albany, El Cerrito and Richmond on the one hand, and all points between Redding and Alturas, excluding Redding, on the other hand; service is authorized to and from all points within two miles laterally of the highways traversed between Redding and Alturas;
- (b) Between Sacramento, North Sacramento, West Sacramento, McClellan Field, San Francisco, South San Francisco, Oakland, Alameda, San Leandro, Emeryville, Berkeley, Albany, El Cerrito and Richmond, on the one hand, and all points between Redding, Scotia, and Trinidad, excluding Redding, on the other hand, via Mad River, Minersville, Willow Creek, Trinidad, Eureka, Arcata, Blue Lake and Scotia;
- (c) Between Redding and Alturas and intermediate points, and all points within two miles laterally of the highways traversed between termini;
- (d) Between Redding, Willow Creek, Mad River, Minersville, Scotia, Trinidad, Eureka, Arcata and Blue Lake, and intermediate points, subject to the restriction that no shipments will be transported which both originate at or are destined to Willow Creek and points west thereof;

subject to the following restrictions:

- (aa) Between San Francisco, South San Francisco, Oakland, Alameda, San Leandro, Emeryville, Berkeley, Albany, El Cerrito and Richmond, on the one hand, and points on U. S. 101 between Trinidad and Scotia, inclusive, on the other hand, service shall be performed on the basis of rates no lower than the minimum rates prescribed by the Public Utilities Commission of California for the constructive mileage via the actual route of operation, namely, via Redding.
- (bb) Petroleum products in bulk in tank vehicles, uncrated household goods, explosives, livestock and commodities requiring special equipment for handling or transporting shall not be transported between Sacramento, North Sacramento, West Sacramento, McClellan Field, San Francisco, South San Francisco, Oakland, Alameda, San Leandro, Emeryville, Berkeley, Albany, El Cerrito and Richmond, on the one hand, and all points between Bella Vista and Alturas, on the other hand.

(4) That Don H. Hawkey and Paul L. Peterson are authorized to establish and maintain joint rates and through routes for the transportation of property moving between Alturas and New Pine Creek

and intermediate points, served by Paul L. Peterson, on the one hand, and the points to be served by Don H. Hawkey, as set out in paragraph (3) above, on the other hand, and that the point of interchange of property between them shall be at Alturas.

(5) That the provisions of paragraphs (3) and (4) shall not become effective unless and until the transfers hereinabove provided for have been fully consummated, and notice thereof shall have been filed with the Commission within 30 days thereafter, together with true copies of the instruments effecting such transfers.

(6) That applicants shall file in triplicate and concurrently make effective appropriate tariffs and time schedules within 60 days after the effective date hereof and on not less than 5 days' notice to the Commission and the public.

Except as herein otherwise expressly provided, this order shall become effective 20 days after the date hereof.

Dated at San Francisco, California, this 8<sup>th</sup> day of April, 1952.

R. J. [Signature]  
 President

Justin J. [Signature]

[Signature]

[Signature]

[Signature]  
 Commissioners