

ORIGINALDecision No. 47926

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 NICHOLAS C. CONTEAS and NICHOLAS)
 KAVORAS, Co-Partners, doing business)
 as CALIFORNIA AUTO TRANSPORT, to sell,) Application No. 33823
 and KENOSHA AUTO TRANSPORT CORPORATION,)
 a corporation, to purchase , operating)
 rights of a highway common carrier for)
 the transportation of motor vehicles.)

O P I N I O N

Nicholas C. Conteas and Nicholas Kavoras, co-partners doing business as California Auto Transport, seek authority herein to transfer to Kenosha Auto Transport Corporation, a corporation, the highway common carrier rights created by Decision No. 45990, dated July 24, 1951, on Application No. 31018, and transferred to Conteas and Kavoras by Decision No. 47229, dated June 5, 1952, on Application No. 33382.

The certificate proposed to be sold authorizes the transportation of motor vehicles and other specified types of vehicles, parts and equipment over designated highways between Sacramento and Santa Rosa on the north and the Mexican border on the south. No automotive equipment or other physical property is involved in the transfer. The proposed consideration for the certificate is \$9,500 payable in cash upon approval of the sale herein.

Conteas and Kavoras are also parties to Application No. 33824, filed concurrently herewith, in which they propose to purchase the highway common carrier rights of W. H. Clark. This certificate authorizes the transportation of the same commodities hereinabove referred to, but grants operating authority over most of the principal highways in California. It is alleged that the

purpose of these transfers is to permit Conteas and Kavoras to expand their operating authority. The applications are interdependent and it is requested that the Commission consider and act upon them concurrently.

Kenosha is an Ohio corporation with its principal place of business in Kenosha, Wisconsin. It has filed a certified copy of its Articles of Incorporation with this Commission in Application No. 28162. It is alleged that Kenosha transports motor vehicles in interstate commerce pursuant to a certificate of public convenience and necessity issued by the Interstate Commerce Commission, and that this certificate authorizes operations between various points in the United States, including most of the principal points and places in California.

Attached to the application is a balance sheet of the buyer as of March 31, 1952 which discloses assets of \$2,950,000 and unappropriated surplus of \$1,300,000. It is alleged that Kenosha has sufficient equipment to undertake service under this certificate and that it is prepared to render an efficient and satisfactory service to the public.

Under the circumstances presented, we find that the proposed transfer is not adverse to the public interest and therefore will be authorized. No public hearing appears to be necessary.

In authorizing this transfer we are making no finding of the value of the operative right and hereby place the transferee 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

An application having been filed and the Commission having found that the public interest would not be adversely affected,

IT IS ORDERED:

(1) That Nicholas C. Contreas and Nicholas Kavoras, after the effective date hereof and on or before January 31, 1953, may sell and transfer to Kenosha Auto Transport Corporation, a corporation, the operative right 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 agreement annexed as Exhibit A to the application herein.

(2) That within thirty (30) days after the completion of the transfer herein authorized the transferees shall notify the Commission in writing of that fact and file with it a true copy of any bill of sale or other instrument of transfer executed to effect the same.

(3) That applicants shall file tariffs in the manner and within the time specified by the Commission in ordering paragraph 2(b) of Decision No. 45990 dated July 24, 1951 and subsequent

extensions thereof.

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

Dated at San Francisco, California, this 18th day of November, 1952.

R. J. [Signature]
President

Harold A. [Signature]

Lawrence H. [Signature]

Walter E. [Signature]

Commissioners