

ORIGINAL

Decision No. 48728

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of GEORGE R. URICH to sell, and	:	
NATIONAL TANK LINES, a California	)	
Corporation, to purchase, all	:	
operating rights, business and	)	Application
equipment of an irregular route	:	No. 34431
petroleum common carrier, AND	)	
to issue and sell common stock of	:	
NATIONAL TANK LINES, a California	)	
Corporation.	:	
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O P I N I O N

George R. Urich, doing business as National Tank Lines, is engaged as a petroleum irregular route carrier in California. In this application he reports that he desires to incorporate his business and he requests authorization to transfer his operative rights and properties to National Tank Lines, a corporation, in exchange for shares of stock.

The properties proposed to be transferred include a certificate of public convenience and necessity acquired by applicant Urich under authorization granted by Decision No. 45767, dated May 29, 1951, in Application No. 32299, and carrier operating property and other assets, subject to outstanding liabilities.<sup>1/</sup> At this time National Tank Lines, a corporation, in acquiring such rights and properties, seeks authorization to acquire the properties of applicant Urich, to issue 3,500 shares of its capital stock of the aggregate par value of \$35,000, and to assume the payment of outstand-

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<sup>1/</sup> In his 1952 annual report applicant Urich shows his net investment in the amount of \$61,373.67 with outstanding long-term obligations of \$38,570.00. He reports his carrier operating revenues at \$36,836.73 and net income of \$8,193.32, before provision for income taxes.

ing liabilities.

The Commission has considered this matter and is of the opinion that the proposed transfer will not be adverse to the public interest, that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required by National Tank Lines, a corporation, for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that an order should be entered granting applicants' requests.

The action taken herein shall not be construed to be a finding of the value of the rights and properties herein authorized to be transferred. Applicants are 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 as to the number of rights which may be given.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. George R. Urich may transfer to National Tank Lines, a corporation, on or before December 31, 1953, the operative rights and assets referred to in this proceeding.

2. National Tank Lines, a corporation, in acquiring said rights and properties, may assume the payment of outstanding indebtedness of George R. Urich and may issue, on or before December 31, 1953, not exceeding 3,500 shares of its common stock.

3. Within 60 days after the effective date hereof and on not less than five days' notice to the Commission and to the public, National Tank Lines, a corporation, shall file, in triplicate, and concurrently make effective, appropriate tariffs and time tables.

4. National Tank Lines, a corporation, shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 23<sup>rd</sup> day of June, 1953..

A. J. [Signature]  
President

Julius A. [Signature]  
Lawrence [Signature]  
Edward E. [Signature]

Commissioners