

**ORIGINAL**

Decision No. 50124

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of JAMES P. NIELSEN, an individual, )  
doing business as NIELSEN FREIGHT )  
LINES, to transfer certificates of )  
public convenience and necessity, )  
permits, and property, to NIELSEN )  
FREIGHT LINES, a corporation, and )  
to issue stock and assume certain )  
obligations. )  
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Application  
No. 35459

O P I N I O N

James P. Neilsen, an individual doing business as Nielsen Freight Lines, is a highway common carrier of general commodities, with certain exceptions, in California. In this application he reports that he desires to transfer his properties and business to Nielsen Freight Lines, a corporation, in exchange for capital stock in the amount of \$38,580, which is equivalent to the reported net investment in tangible properties and other assets as of March 31, 1954.

The common carrier operative rights to be transferred are those represented by certificates of public convenience and necessity acquired by applicant Nielsen under authorization granted by Decision No. 43556, dated November 22, 1949, in Application No. 29105; Decision No. 45232, dated January 9, 1951, in Application No. 31462; and Decision No. 46679, dated January 22, 1952, in Application No. 32148. Applicant also advises that he is a party to certain through routes and joint rates with a number of other carriers and requests that if the transfer of the certificates is authorized the corporation be substituted as a party in lieu of the individual. The order herein will authorize such substitution. Applicant also advises that he holds permits as a radial highway common carrier, as a highway

contract carrier and as a city carrier. A separate application will be filed for authority to transfer the permits.

Applicant Nielsen is of the opinion it will be advantageous to himself, his family and his business to conduct this substantial and long-established enterprise as a corporation. It appears from the application that there will be no changes in the rates, rules and regulations as a result of the proposed transfer and in our opinion the transaction will not be adverse to the public interest.

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.

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.

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, that the application should be granted, as herein provided, 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 applicant corporation 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,

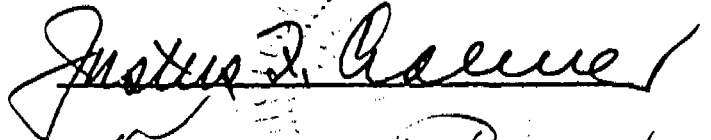
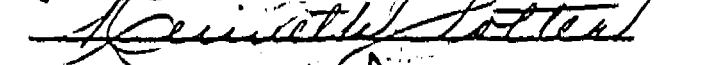

IT IS HEREBY ORDERED as follows:

1. James P. Nielsen, an individual doing business as Nielsen Freight Lines, on and after the effective date hereof and on or before December 31, 1954, may transfer to Nielsen Freight Lines, a corporation, the certificates of public convenience and necessity and the properties to which reference is made in this proceeding.
2. Nielsen Freight Lines, a corporation, in acquiring said certificates and properties, may assume the payment of outstanding indebtedness and may issue not exceeding \$88,580 par value of its common capital 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, applicants shall supplement or reissue the tariffs on file with the Commission naming rates (including but not limited to both local and joint rates), rules and regulations governing the common carrier operations here involved to show that James P. Nielsen has withdrawn or canceled and that Nielsen Freight Lines, a corporation, has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the filing and construction of tariffs set forth in the Commission's General Order No. 80.
4. Nielsen Freight Lines, a corporation, shall file with the Commission a report, or 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 7th day of  
June, 1954.

  
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President

  
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Commissioners