

**ORIGINAL**Decision No. 50710

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 FLEETLINES, INC., a corporation, to )  
 sell, and of OSBOURN TRUCKING COM- )  
 PANY, a corporation, to purchase )  
 certificates of public convenience )  
 and necessity (1) authorizing the )  
 transportation of commodities gen- )  
 erally (with certain exceptions) )  
 and (2) authorizing transportation )  
 of bulk petroleum products via )  
 irregular routes. )

Application No. 35781

O P I N I O N

Fleetlines, Inc., a Nevada corporation, seeks authority to sell its highway common carrier and petroleum irregular route operating rights and a city carrier's permit (No. 19-40490) to Osbourn Trucking Company, a California corporation. The highway common carrier service was established pursuant to a certificate of public convenience and necessity granted to the seller in Decision No. 48038 on Application No. 31630, as amended by Decision No. 50087. The petroleum irregular route operation was originally authorized by Decision No. 44469 on Application No. 31113, which rights were acquired by seller in Decision No. 49748 on Application No. 34950. Generally the highway common carrier certificate authorizes the transportation of general commodities in the Counties of Los Angeles, San Bernardino, Riverside, and Orange, and the petroleum irregular route certificate authorizes the transportation of petroleum and petroleum products in tank trucks and tank trailers between all points and places in the State of California.

The consideration for said operating rights and permit is \$2,500, payable in cash upon receipt of authority from this Commission. No other property is involved.

Both parties hold interstate operating authority between points in Southern California and points in Southern Nevada. The Osbourn Trucking Company also is authorized by this Commission to transport property as a radial highway common carrier, contract, and city carrier.

As justification for the proposed sale it is alleged that the seller desires to segregate its interstate business from its intrastate business; that the former amounts to 80 per cent of all its business; that Osbourn Trucking Company has considerable equipment not now fully utilized due to the present specialized nature of its interstate operation; that the minority interest in Osbourn Trucking Company is owned by the shareholders of all of the outstanding stock of Fleetlines, Inc.; and that Fleetlines, Inc., due to an increasingly competitive situation affecting its interstate business, desires to dispose of its intrastate operation.

Financial statements filed with the application show that the condition of Fleetlines, Inc. as of July 31, 1954 was as follows: Total assets, \$299,112.30, and total liabilities of \$37,518.43, or a net worth of \$261,593.87; represented by capital stock outstanding of \$22,409.84 and surplus of \$239,184.03.

Osbourn Trucking Company has an authorized capital consisting of 7,500 shares of no par value, of which there has been issued and are now outstanding 994 shares. Its financial condition as of July 31, 1954 was as follows:

Assets:	
Current Assets .....	\$36,950.36
Revenue Equipment (Less Depreciation) ..	32,630.07
Intangible Property .....	600.00
Total Assets .....	<u>70,180.43</u>
Liabilities:	
Current Liabilities .....	16,719.86
Long Term Equipment Mortgage .....	30,000.00
Capital Stock Outstanding (994 Shares) ..	9,940.00
Earned Surplus .....	<u>13,520.57</u>
Total Liabilities .....	<u>70,180.43</u>

For the seven months period ending July 31, 1954, Osbourn Trucking Company operated at a net profit of \$28,200.46 after depreciation, operating taxes and licenses, and income taxes. It owns 14 trucks, 10 tractors, 8 semitrailers, and 3 dollies. It also leases 2 tractors and 1 semitrailer.

The Commission having considered the matter finds that the proposed sale and transfer is not adverse to the public interest and therefore applicant's request will be granted, except that the transfer of the City Carrier's Permit No. 19-40490 heretofore granted to Fleetlines, Inc. will not be authorized as the purchaser, Osbourn Trucking Company, now holds City Carrier Permit No. 19-40028.

The action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred.

The application will be granted in part and denied in part. A public hearing is not deemed necessary.

O R D E R

Application having been made, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED that:

1. Fleetlines, Inc., a Nevada corporation may sell and transfer, on or before sixty days after the effective date of this order, to Osbourn Trucking Company, a California corporation, the highway common carrier and petroleum irregular route operating rights referred to in the foregoing opinion, said sale to be made substantially upon the terms and conditions of the agreement of sale filed as Exhibit "B" with this application, and the latter corporation may acquire said rights and continue to operate the said services as heretofore authorized by this Commission.

2. Applicants shall file in triplicate, and concurrently make effective, appropriate tariffs within sixty days after the effective date hereof and upon not less than five days notice to the Commission and to the public.

3. In the event the authority herein granted is exercised, Osbourn Trucking Company shall notify the Commission in writing of the fact within thirty days after the date of transfer.

4. Except as herein authorized Application No. 35781 be, and it hereby is, denied.

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

Dated at Los Angeles, California, this 26<sup>th</sup>  
day of OCTOBER, 1954.

Arthur E. Mitchell  
President

JUSTUS F. CARRIS

Kenneth Patton

Jane Higgins

Rayla Hutchins  
Commissioners