

ORIGINAL

Decision No. 51432

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
	:	
of C. R. BECKER, d. b. a. DELIVERY)	
SERVICE COMPANY, for authority to	:	
transfer equipment and certificates)	Application
of public convenience and necessity	:	No. 36897
to DELIVERY SERVICE COMPANY, a cor-)	
poration in exchange for securities,	:	
and of DELIVERY SERVICE COMPANY, a)	
corporation for authority to issue	:	
its securities.)	
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OPINION

This is an application for an order of the Commission authorizing C. R. Becker to transfer operative rights and equipment to Delivery Service Company, a corporation, and authorizing Delivery Service Company, a corporation, to issue 140 shares of no par value common stock at \$14,000 and to issue promissory notes in the total principal amount of \$10,447.29.

Applicant Becker, doing business as Delivery Service Company, is engaged in the transportation of general commodities, in packages or parcels weighing 100 pounds or less, generally between points within Alameda, Contra Costa and portions of Solano counties. He reports that he desires to conduct his business under a corporate form of operation and that he therefore proposes to transfer his

^{1/} Decision No. 28691, dated April 6, 1936, as amended by Decision No. 38396, dated November 13, 1945, and by Decision No. 48324, dated March 2, 1953.
 Decision No. 47358, dated June 24, 1952, as amended by Decision No. 47592, dated August 19, 1952.

operative rights, equipment and other assets at their book value of \$32,349.52, to a corporation which he has caused to be organized for the purpose of receiving such properties and of continuing the operations. The program provides for the assumption by the corporation of outstanding current liabilities of \$7,902.23, the issue of notes to C. R. Becker or Hazel Becker in the total amount of \$10,447.29, and the issue of 140 shares of common stock at a total price of \$14,000. The notes will bear interest at the rate of 6% per annum and will be in a series of ten, of which nine will be for \$1,000 each and the tenth for \$1,447.29, one note to become due on the first day of January of each year commencing January 1, 1956.

It appears there will be no change in the rates or service as a result of the proposed transfer. We are of the opinion, therefore, and hereby find, that such transfer will not be adverse to the public interest. Applicants are hereby placed on 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 and the notes herein authorized is reasonably required by applicant corporation for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. C. R. Becker may transfer his certificates of public convenience and necessity and his equipment to Delivery Service Company, a corporation, on or before September 30, 1955.
2. Delivery Service Company, a corporation, in part payment for such rights and equipment, may issue promissory notes in the aggregate principal amount of not exceeding \$10,447.29 under the terms and conditions set forth herein, and may issue not exceeding 140 shares of its common stock without par value.
3. 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, rules and regulations governing the common carrier operations here involved to show that C. R. Becker has withdrawn or canceled and Delivery Service Company, 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 construction and filing of tariffs set forth in the Commission's General Order No. 80.

4. Delivery Service Company, 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 when Delivery Service Company, a corporation, has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 10th day of May, 1955.

Arthur E. Vossell
President

Justin J. Calmes

Russell W. Anderson

William A. Stone

Commissioners

