

Decision No. 52730**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 HECTOR P. PUCCINELLI, MARIO)
 GIOVANNINI, ALDO TESI, EUGENE)
 GRIJALVA and TESEO TESI, a co-)
 partnership doing business under the)
 name of TESI DRAYAGE COMPANY, for)
 authority to transfer and sell, and)
 TESI DRAYAGE COMPANY, a corporation,)
 to acquire an automotive freight line)
 operated between Tunitas, Salada Beach)
 and intermediate points, on the one hand,)
 and San Francisco and Colma, on the)
 other hand; also an automotive freight)
 line operated between San Francisco Bay)
 points and San Mateo points, all in the)
 State of California.)

Application No. 37405

O P I N I O N

Hector P. Puccinelli, Mario Giovannini, Aldo Tesi, Eugene Grijalva and Teseo Tesi, doing business as Tesi Drayage Company and presently rendering service as a highway common carrier between Ano Nuevo Point, Half Moon Bay and intermediate points, on the one hand, and Colma, San Francisco, Oakland, Emeryville and San Leandro, on the other hand, request authority to sell and transfer said operative rights and certain property to the Tesi Drayage Company, a newly formed corporation.

Teseo Tesi, Gino Lea and Albert Dunn each have a quarter interest in the new corporation. The other quarter interest is equally divided between Ildo L. Rosellini and Marino Rosellini.

According to a copy of the sales agreement attached to the application the vendors agree to sell and transfer the operative rights, seventeen pieces of equipment, office furniture, a parcel of land and miscellaneous tools and parts for the sum of \$23,000, plus the assumption of accounts and notes payable in the amount of \$14,145.57. A value of \$50 is placed upon the operative rights and good will is valued at \$7,450.

According to the agreement the sum of \$23,000 will be paid in the following manner: \$17,000 cash, a \$4,500 demand note to Tesco Tesi for his share of the business and a \$1,500 promissory note to the remaining copartners payable at the rate of \$100 a month without interest. The accounts and notes payable are to be paid upon the completion of the transfer.

A profit and loss statement attached to the application indicates that the copartnership of Tesi Drayage Company realized a net profit of \$20,415.48 for the period January 1, 1955, to September 2, 1955, before provision for partners' salaries.

After consideration, the Commission is of the opinion and so finds that the proposed transfer will not be adverse to the public interest and that the money, property or labor to be procured or paid for by the issue of the evidence of indebtedness, herein authorized, is reasonably required by applicants for the purpose specified herein, and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income. 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. No authority is herein given to Tesi Drayage Company to place on its books any value for the operative rights it will acquire. A public hearing does not appear to be necessary.

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, such rights 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

Application having been filed and the Commission having been informed in the premises;

IT IS ORDERED:

(1) That Hector P. Puccinelli, Mario Giovannini, Aldo Tesi, Eugene Grijalva and Tesco Tesi may sell and transfer to Tesi Drayage Company, on or before April 1, 1956, the operative rights acquired by Decision No. 39725, dated December 16, 1946, in Application No. 28042; Decision No. 41261, dated March 2, 1948, in Application No. 29087 and Decision No. 46634, dated January 1, 1952, in Application No. 32961, as well as the property referred to in Exhibit A attached to the application.

(2) That 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 Hector P. Puccinelli, Mario Giovannini, Aldo Tesi, Eugene Grijalva and Tesco Tesi have withdrawn or canceled and Tesi Drayage Company has adopted or established as its own said rates, rules and regulations.

(3) That applicant Tesi Drayage Company may incur indebtedness of \$1,500 in accordance with the terms of the sales agreement attached to the application.

(4) That this order shall become effective when applicants have paid the fee of \$25 as required by Section 1904 of the Public Utilities Code.

Dated at San Francisco, California, this 5th day of December, 1955.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners

