

**ORIGINAL**Decision No. 54536

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 RUSH SWOAPE TRUCKING, INC., a cor- )  
 poration, to sell equipment and to )  
 transfer certificate of public con- )  
 venience and necessity to MOJAVE COR- )  
 PORATION, a California corporation. )

Application No. 38716 ✓

O P I N I O N

By Decision No. 49733, Rush Swoape Trucking, Inc., a California corporation, acquired the highway common carrier operating authority previously granted to Rush Swoape by Decision No. 44873. The authority is for the transportation of property necessary or incidental to the establishment, maintenance, or dismantling of oil, gas, or water wells, pipe lines, refineries, and cracking or casing-head plants, equipment and material used in construction and equipment used in farming, and is practically statewide in scope.

By this application authority is sought to sell said operating authority and certain equipment consisting of four tractors and two utility trailers to Mojave Corporation, a California corporation, for a consideration of \$42,000 payable 25 percent cash and the balance in 24 equal monthly payments, plus interest at 6 percent per annum upon the unpaid balance. Applicants value the equipment at \$34,500 and the operating right at \$7,500. The original cost of the equipment is stated to be \$40,430.67, and present book value, after depreciation, is \$14,244.89.

The financial condition of the applicants, as of September 30, 1956, was as follows:

	<u>Rush Swoape Trucking, Inc.</u>	<u>Mojave Corporation</u>
<u>Item</u>		
Assets	\$74,828.34	\$1,853,992.97
Liabilities	<u>52,185.46</u>	<u>1,605,030.22</u>
Net Worth	\$22,642.88	\$248,962.75
Capital Surplus	\$30,335.68 <u>(7,692.80)</u> 22,642.88	\$ 87,500.00 <u>161,462.75</u> 248,962.75

(Red Figure)

Mojave Corporation operates an extensive trucking business handling petroleum machinery, pipe, and petroleum supplies. It holds contract carrier and city carrier permits issued by this Commission. Its plant includes 24 acres with shops, warehouses, grease racks, etc.

The application is not opposed.

Having considered the proposed sale and transfer, this Commission is of the opinion that it will not be adverse to the public interest and therefore will be granted. A public hearing is not deemed necessary.

Applicants are 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

Application having been made, the Commission being fully advised in the premises,

IT IS ORDERED:

(1) That Rush Swcape Trucking, Inc., a corporation, may sell and transfer, on or before sixty days after the effective date of this order, to Mojave Corporation, a corporation, the operating right and property 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 C with the application, and Mojave Corporation may acquire said operating right and property and shall continue said transportation service as heretofore authorized by this Commission.

(2) That within sixty days after the effective date hereof, concurrently with the consummation of the transfer herein authorized, and on not less than five days' notice to the Commission and to the public, applicants shall amend tariffs on file with the Commission naming rates, rules and regulations governing the operations here involved to show that Rush Swoape Trucking, Inc., has withdrawn and Mojave Corporation has adopted as its own said rates, rules and regulations.

(3) That Mojave Corporation may execute and enter into an agreement providing for the payment of \$42,000 over a period of 24 months, as set forth in this application, it being the opinion of the Commission that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein and that such purpose, except as otherwise authorized, is not in whole or in part, reasonably chargeable to operating expenses or to income.

(4) That in the event the authority herein granted is exercised, Mojave Corporation shall notify the Commission in writing of the fact within thirty days after the date of transfer.

(5) The effective date of this order shall be when Mojave Corporation has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$42.

Dated at San Francisco, California, this 19th day of February, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
10655  
FEB 25 1957  
42.00  
[Signature]