

ORIGINAL

Decision No. 55112

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CAL-CENTRAL TRUCKING CO., INC.,)
 a corporation, by HENRY A. WHITE,)
 Trustee, to sell, and HIGHWAY)
 TRANSPORT, INC., a corporation, to)
 purchase certain operating rights.)

Application No. 38783

Berol and Silver, by Edward M. Berol, for
 Highway Transport, Inc.; Edmund Davies,
 for Henry A. White, Trustee, Cal-Central
 Trucking Co., Inc.; Marvin Handler, for
 California Motor Express, Ltd.; California
 Motor Transport Co., Ltd., Stockton Motor
 Express, Delta Lines, Inc., Lodi Truck
 Service, Warren Transportation Company,
 Valley Motor Lines, Inc., and Valley
 Express, Co., protestants.

Lloyd E. Burke, United States Attorney, by
Godfrey L. Munter, Jr., attorney, Internal
 Revenue Service, interested party.

O P I N I O N

Cal-Central Trucking Co., Inc., a corporation (hereinafter
 sometimes referred to as Cal-Central) by Henry A. White, Trustee,
 requests authority to sell and Highway Transport, Inc., a corporation
 (hereinafter sometimes referred to as Highway), to purchase the good
 will of the former and the operating authority it acquired by
 Decisions Nos. 43731, 43779, 51323, 45330 and 46242. By a petition
 filed on February 23, 1957, authority is sought to lease the oper-
 ative rights to Highway for \$200 a month pending final determination
 of the application.

A public hearing was held in San Francisco and the matter
 was submitted on May 3, 1957, following oral argument before
 Commissioner Matthew J. Dooley and Examiner Thomas E. Daly.

As justification for the authority sought, it is alleged that because of financial difficulties Cal-Central petitioned the District Court of the United States, in and for the Northern District of California, for reorganization under Chapter X of the Bankruptcy Laws of the United States; that from April, 1956, to December 31, 1956, Henry A. White, Trustee, attempted to continue the operation of Cal-Central; that because of limited capital the operations could not be continued; and as of December 31, 1956, the said District Court ordered discontinuance of such operations and the sale of the assets of Cal-Central; that on January 24, 1957, the said District Court ordered the sale of the good will and operating authority to Highway upon its bid of \$40,000. A value of \$500 is placed upon the operative rights and a value of \$39,500 is placed upon good will. Highway has paid a deposit of \$4,000 and will pay the balance of the purchase price upon the granting of the authority herein requested.

In brief, the operative rights authorize the transportation of general commodities between the Sacramento, Stockton and San Francisco areas, including service to many intermediate points. With the exception of service between Sacramento, on the one hand, and San Francisco, Richmond, El Cerrito, Albany, Piedmont, Oakland, Alameda and San Leandro, on the other hand, the remainder of the operating authority is subject to weight restrictions.

Protestants contend that Cal-Central was primarily a truckload carrier engaged in the transportation of fresh fruits and vegetables from the fields to canneries, and canned goods and related commodities from canneries located in the Sacramento Valley to points in the San Francisco Bay Area. As a result they claim that Cal-Central was never competitive with the existing certificated less-than-truckload carriers. If the transfer is authorized, they argue,

Highway will immediately ask for the removal of the weight restrictions and upon their removal an entirely new and highly competitive service would enter the field. The consequence would be a diversion of traffic and financial impairment of the protesting carriers.

When the Commission originally granted the certificates in question it did so only after finding that the public convenience and necessity so required. This is not the proceeding to argue what would happen in the event the weight restrictions were removed. Only if and when such authority is sought would the issue raised be material. The question before the Commission at this time is whether the proposed transfer would be adverse to the public interest.

After consideration, the Commission is of the opinion and so finds that the proposed transfer would not be adverse to the public interest. Because of the foregoing findings and conclusions, authority to lease the operative rights is not needed and such request will be denied.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

(1) That on or before August 15, 1957, Cal-Central Trucking Co., Inc., a corporation, by Henry A. White, Trustee, may sell and Highway Transport, Inc., a corporation, may purchase the authority granted by the following decisions:

<u>Decision No.</u>	<u>Date</u>	<u>Application No.</u>
43731	1-24-50	30322
43779	2-7-50	30322
51323	4-12-55	34643
45330	5-6-51	31657
46242	10-2-51	32190

(2) That, within thirty days after the consummation of the transfer herein authorized, Highway Transport, Inc., shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

(3) That, 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 or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations here involved to show that Cal-Central Trucking Co., Inc., has withdrawn or canceled and Highway Transport, Inc., has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to the 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) That the petition filed on February 23, 1957, requesting authority to lease the aforementioned operative rights is hereby denied.

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

Dated at San Francisco, California, this 11th day of JUNE, 1957.

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