

Decision No. 55530

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 DEWEY POULSEN AND LOREN D. POULSEN,)
 a co-partnership, doing business as)
 POULSEN TANK LINES, and MATICH TANK)
 LINES, INC., a California corpora-)
 tion, for authority to transfer Cer-)
 tificate and the issuance of a new)
 Certificate of Public Convenience)
 and Necessity to MATICH TANK LINES,)
 INC., to operate as a Petroleum Ir-)
 regular Route Carrier, for the trans-)
 portation of asphalt, road oils and)
 black oils in bulk, in tank trucks)
 and tank trailers.)
 -----)

Application No. 39367
(and Amendment)

O P I N I O N

This is an application for an order authorizing Dewey Poulsen and Loren D. Poulsen, co-partners doing business as Poulsen Tank Lines, to transfer to Matich Tank Lines, Inc., a corporation, operative rights and equipment, and authorizing the corporation to issue \$30,000 par value of stock and two notes, one for \$6,134 and one for \$500.

The application shows that Dewey Poulsen and Loren D. Poulsen are the owners of a certificate of public convenience and necessity originally established by Decision No. 46243, dated October 2, 1951, and transferred to the present co-partnership by Decision No. 51796, dated August 9, 1955. The certificate authorizes operation of a petroleum irregular route carrier service for the transportation of asphalt, road oils, and black oils in bulk in tank trucks and tank trailers from, to and between all points and places in California. For the year 1956, the present operators reported gross revenues of \$26,350 and net revenues of \$2,693, after making provision for depreciation in the amount of \$6,845.

It appears that the members of the co-partnership find it desirable to acquire additional operating capital for the enterprise and that they, together with John M. Matich and Martin Matich, have entered into an agreement whereby the Poulsens will transfer to Matich Tank Lines, Inc., applicant corporation herein, their certificate of public convenience and necessity, operative equipment, inventory and prepaid insurance, having an agreed value of \$19,634, and will pay cash in the amount of \$1,500 into the treasury, a total of \$21,134, and the Matiches will transfer to the corporation an International spreader truck at an agreed value of \$8,000 and will pay cash in the amount of \$7,500 into the corporation's treasury, a total of \$15,500. Under the transfer agreement no value is assigned to the certificate.

In exchange, the Poulsens will receive \$15,000 par value of common stock and an unsecured note in the amount of \$6,134 payable on or before two years from August 1, 1957, without interest, and the Matiches will receive \$15,000 par value of common stock and an unsecured note in the amount of \$500, also payable on or before two years from August 1, 1957, without interest.

It is reported that the transfer will result in no changes in the rates, schedules, operations or service and that the Poulsens will continue in the management of the business. Upon reviewing the matter we are of the opinion, and so find, that the transfer will not be adverse to the public interest. In making our order granting applicants' request we place them 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 limited in any respect as to the number of rights which may be given.

The action taken herein shall not be construed to be a finding of 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, that the money, property or labor to be procured or paid for by the issue of the stock and notes herein authorized is reasonably required 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. Dewey Poulsen and Loren D. Poulsen, co-partners doing business as Poulsen Tank Lines, may transfer to Matich Tank Lines, Inc., the certificate of public convenience and necessity granted by Decision No. 46243 dated October 2, 1951, and transferred to them by Decision No. 51796, dated August 9, 1955, together with operative equipment and other assets, as set forth herein, and Matich Tank Lines, Inc., upon acquiring said certificate may engage in business as a petroleum irregular route carrier under the terms of said certificate.

2. Matich Tank Lines, Inc., may issue not exceeding \$30,000 par value of common stock and two notes, one for \$6,134 and one for \$500, for the purposes set forth in this application.

3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of the transfer herein authorized, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the operations here involved to show that Dewey Poulsen and Loren Poulsen, co-partners doing business as Poulsen Tank Lines, have withdrawn or canceled and that Matich Tank Lines, Inc., 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. Matich Tank Lines, Inc., shall file with the Commission a report, or 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 Matich Tank Lines, Inc., 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 SEPTEMBER, 1957.

[Signature]
President
[Signature]
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Commissioners

