

ORIGINAL

Decision No. 55844

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of LA SALLE FREIGHT COMPANY, a
California Corporation, to acquire
from LA SALLE TRUCKING COMPANY, a
Certificate of Public Convenience
and Necessity for the transporta-
tion of freight and to issue stock.

Application No. 39471
and Amendment

O P I N I O N

This is an application for an order of the Commission
(1) authorizing La Salle Trucking Company, a corporation, to sell
an operative right to La Salle Freight Company, a corporation, and
(2) authorizing La Salle Freight Company to issue and sell 600 shares
of its capital stock without par value at a price of \$10 per share.

By Decision No. 42623, dated March 15, 1949, as amended,
the Commission granted to La Salle Trucking Company a certificate of
public convenience and necessity authorizing the establishment and
operation of service as a highway common carrier for the transporta-
tion of petroleum products in bulk, with certain exceptions, within
a radius of 50 miles of several specified highways throughout south-
ern California. By Decision No. 52789, dated March 13, 1956, the
Commission granted to La Salle Trucking Company a certificate of
public convenience and necessity authorizing it to operate as a
highway common carrier of numerous specified commodities between
certain points in Los Angeles, Orange and San Diego Counties.

La Salle Freight Company is a recently organized California corporation, which has entered into an agreement to buy from La Salle Trucking Company for the sum of \$500 the certificate granted by Decision No. 52789. La Salle Trucking Company intends to continue operating under the certificate granted to it by Decision No. 42623, as amended.

La Salle Freight Company proposes to issue and sell 600 shares of its common stock at par for the purpose of obtaining funds to finance the \$500 purchase price for the certificate and to provide \$5,500 for payment on equipment necessary to carry on and conduct the business. The operations will be in charge of Frank La Salle, the president of the purchaser, who, for many years, has been engaged in the transportation business, and now proposes to continue the activities of the seller. There will be no change in the rates or service.

Upon reviewing this matter we are of the opinion, and so find, that a public hearing is not necessary and that the transfer will not be adverse to the public interest. In making our order, we place applicants 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 operative right herein authorized to be transferred.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion 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 herein authorized is reasonably required by La Salle Freight Company 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. La Salle Trucking Company may sell and transfer to La Salle Freight Company the operative right granted by Decision No. 52789, dated March 13, 1956.
2. La Salle Freight Company may issue and sell 600 shares of its capital stock at a price of \$10 per share, and use the proceeds for the purposes specified in this application.
3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the highway common carrier operations here involved to

show that La Salle Trucking Company has withdrawn or canceled and La Salle Freight Company 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. La Salle Freight Company 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 twenty days after the date hereof.

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

Ed. E. [Signature] President
Charles [Signature]
William [Signature]
R. Hardy [Signature]
E. Lynn Fox