

ORIGINAL

Decision No. 39801

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
 KEY TRANSPORT, INCORPORATED,  
 a California corporation, AND  
 COSTIGAN TRUCKING CO., INC.,  
 a California corporation,  
 for authority to acquire transfer  
 from Costigan Trucking Co., Inc.  
 to Key Transport, Incorporated a  
 Highway Common Carrier Operating  
 License Right between Los Angeles  
 and Los Angeles Harbor and for  
 authority to issue stock of Key  
 Transport, Incorporated in  
 exchange for various assets.

Application No. 39801

O P I N I O N

This is an application for an order of the Commission  
 (1) authorizing Costigan Trucking Co., Inc. to transfer operative  
 rights, business and properties to Key Transport, Incorporated,  
 and (2) authorizing Key Transport, Incorporated to issue \$20,010  
 par value of its Class A common stock.

Under authority granted by Decision No. 47841, dated  
 October 21, 1952, Costigan Trucking Co., Inc. acquired from  
 Citizens Truck Company, Ltd. a prescriptive right to operate as  
 a highway common carrier of property between the City of Los  
 Angeles and the steamship wharves and docks located at Los  
 Angeles Harbor (Wilmington and San Pedro), as more particularly  
 defined by Decision No. 12823, dated November 14, 1923. Costigan  
 Trucking Co., Inc. now desires to transfer this prescriptive right  
 to Key Transport, Incorporated, which was organized under the laws  
 of the State of California on or about March 5, 1957.

A pro forma balance sheet of Key Transport, Incorporated, as of September 1, 1957, attached to the application as Exhibit B, shows, exclusive of the prescriptive right, assets of \$71,419.44 against which it is proposed to issue \$20,010 par value of capital stock. The difference will be represented by paid-in surplus of \$18,407.88, and open indebtedness to the proposed shareholders.

A review of the application shows that there will be no change in the management nor in the rates or service as the result of the transfer and that the same operative properties will be available to the new corporation as now are utilized in the present operations. Upon reviewing the verified application, we are of the opinion, and so find, that the transfer will not be adverse to the public interest and should be authorized.

Key Transport, Incorporated is hereby 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

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, as herein provided, that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by Key Transport, Incorporated for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Costigan Trucking Co., Inc. may transfer to Key Transport, Incorporated the operative rights acquired pursuant to authorization granted by Decision No. 47841, dated October 21, 1952, and the business and assets as set forth in this application.

2. Key Transport, Incorporated, on and after the date hereof and on or before August 31, 1958, may issue not exceeding \$20,010 par value of its Class A common stock for the purpose 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 operations here involved to show that Costigan Trucking Co., Inc. has withdrawn or canceled and Key Transport, Incorporated 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. Key Transport, Incorporated 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. This order will become effective on the date hereof.

Dated at San Francisco, California, this 1st day of July.

C. Lynn Fox  
President  
Robert L. ...  
Robert ...  
Theodore ...  
Commissioners