

ORIGINALDecision No. 57731

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Walker Oil Salvage and Trucking
Company, Inc., a California corporation,
to transfer, and Frank McKay, a share-
holder in said corporation, to acquire
petroleum irregular route common carrier
rights between points in the State of
California.

Application No. 40551

O P I N I O N

By this application filed October 29, 1958, Walker Oil Salvage and Trucking Company, Inc., a corporation, requests an order of this Commission authorizing it to sell to Frank McKay, its largest shareholder, its certificate of public convenience and necessity authorizing the operation as a petroleum irregular route carrier for the transportation of petroleum and petroleum products in tank trucks and trailers between points in California, as well as all buildings and operative equipment, for the sum of \$20,000, in cash.

It is alleged that all the shareholders of applicant corporation have agreed to dissolve the corporation and distribute all the assets after payment of debts; that in order that applicant McKay may receive his distributive share in the form of operative equipment and operative rights he has agreed to turn over for distribution to the others the sum of \$20,000. It is further shown that applicant McKay is experienced in this line of work, having managed the corporation's petroleum transportation business since it received its operating authority early in 1955, and before that time he had been engaged in the transportation of bulk liquids and petroleum and petroleum products since 1947. It appears that applicant McKay is

financially able to successfully carry on this operation in addition to conducting operations under Commission permits which are being transferred under separate applications. The value of the operative rights, consisting of the permits and the certificate of public convenience and necessity, is stated as \$712.00 and the other operative property as \$38,978.30, all of which will be received by applicant McKay.

It appears and the Commission finds that the proposed transfer will not be adverse to the public interest and should be authorized. A public hearing is not necessary. The action taken herein shall not be construed to be a finding of the value of the operative rights herein authorized to be transferred.

Applicant 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, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

Application therefor having been filed and the Commission being of the opinion that it should be granted,

IT IS ORDERED:

(1) That Walker Oil Salvage and Trucking Company, Inc., a corporation, is authorized to transfer to Frank McKay the operative rights and equipment as described in the application and accompanying exhibits upon payment of the sum of \$20,000 cash.

(2) That on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of the transfer authorized in paragraph (1) hereof, applicant shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the common carrier operations here involved to show that Walker Oil Salvage and Trucking Company, Inc., has withdrawn and that Frank McKay has adopted or established as his own, said rates, rules and regulations. The tariff filing made pursuant to this order shall apply in all other respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.

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

Dated at San Francisco, California, this 16th day of December, 1958.

E. L. Fox
President
Ralph W. H. ...
Walter ...
Frederick ...
Commissioners