

ORIGINAL

Decision No. 58981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of MARY MARTHA STANLEY, an individual, and MARY MARTHA STANLEY, as Trustee of the Trust under the Last Will of EDGAR S. STANLEY, Deceased, doing business as STAR TRUCK & TRANSFER CO., STAR TRUCK & WAREHOUSE CO. and PIONEER TRUCK CO., to transfer, and STAR TRUCK & WAREHOUSE CO., a corporation, doing business as STAR TRUCK & TRANSFER CO., STAR TRUCK & WAREHOUSE CO., and PIONEER TRUCK CO., to acquire operating rights and properties of a public warehouse and a highway common carrier, and to issue stock.

Application No. 41400

O P I N I O N

This is an application for an order of the Commission authorizing Mary Martha Stanley, an individual, and Mary Martha Stanley, as Trustee of the Trust under the Last Will of Edgar S. Stanley, Deceased, to transfer operative rights and equipment to Star Truck & Warehouse Co., a corporation, and authorizing said corporation to issue \$465,700 par value of common stock and to assume the payment of indebtedness.

The application shows (1) that Mary Martha Stanley, as an individual and as trustee, is engaged in operating a public utility warehouse in Los Angeles under operative rights acquired pursuant to authorization granted by Decision No. 50083, dated May 25, 1954, and in the operation of a highway common carrier service in the Los Angeles Basin Territory under a certificate granted by Decision No. 54860, dated April 16, 1957, and in

operations as a radial highway common carrier, a highway contract carrier and a city carrier,^{1/} and (2) that arrangements have been made for the transfer of the operative rights and tangible property, subject to liabilities, to a new corporation in consideration for the assumption by said corporation of the outstanding liabilities and the issue by it of \$465,700 par value of stock, which is an amount approximately equivalent to the net book value of the tangible and current assets, as of May 31, 1959.

It appears that there will be no change in the management or control as the result of the transfer and that the same facilities will be available to the corporation as are now employed in the several services. We are of the opinion, therefore, and so find, that the proposed transaction will not be adverse to the public interest and we will enter our order granting the application.

Applicants are 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.

^{1/} Separate applications will be filed for authorization to transfer the radial highway common carrier, the highway contract carrier and the city carrier permits.

The authorization herein granted shall not be construed to be a finding of the value of the operative rights and equipment 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 money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by said corporation for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income;
NOW THEREFORE,

IT IS HEREBY ORDERED as follows:

1. Mary Martha Stanley, an individual, and Mary Martha Stanley, as Trustee of the Trust under the Last Will of Edgar S. Stanley, Deceased, on and after the effective date hereof and on or before December 31, 1959, may transfer to Star Truck & Warehouse Co., a corporation, the operative rights and the equipment referred to in the preceding opinion and in this application.

2. Star Truck & Warehouse Co., a corporation, in acquiring said operative rights and equipment, may assume the payment of outstanding indebtedness and may issue not to exceed \$465,700 par value of its common stock.

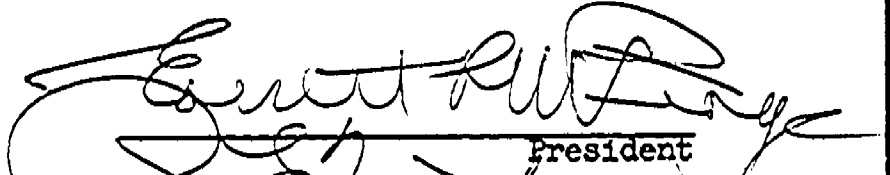
3. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the common carrier operations here involved to show that the seller has withdrawn or canceled and Star Truck & Warehouse Co., a corporation, 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.

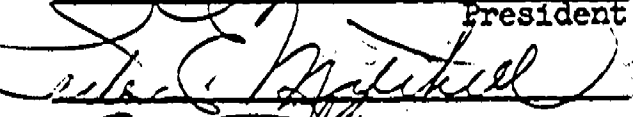
4. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs now on file with the Commission, insofar as they name rates, rules and regulations governing the warehouse operations here involved of seller, to show that seller has withdrawn or canceled and that Star Truck & Warehouse Co., a corporation, concurrently has adopted or established, as its own, said rates, rules and regulations. The tariff filings made pursuant to this order in all respects shall comply with the regulations governing the construction and filing of warehouse tariffs set forth in the Commission's General Order No. 61.


5. Star Truck & Warehouse Co., a corporation, 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.

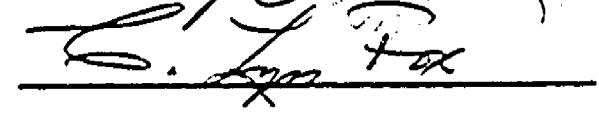
6. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California,
this 15th day of September, 1959.



President






Commissioners