



Decision No. 17365, dated September 21, 1926, in Application No. 13047;

Decision No. 20569, dated December 7, 1928, in Application No. 8111;

Decision No. 20620, dated December 22, 1928, in Application No. 15237;

Decision No. 35200, dated March 31, 1942, in Application No. 24775;

Decision No. 38128, dated August 14, 1945, in Application No. 24775;

Decision No. 44036, dated April 11, 1950, in Application No. 30380;

Decision No. 45179, dated December 19, 1950, in Application No. 31982.

Sellers acquired these operating rights from their predecessor in Decision No. 47738, dated September 24, 1952, in Application No. 33679.

On March 29, 1960, applicants filed the application herein requesting authority for applicant sellers to sell and transfer to applicant buyer, Consolidated Freightways Corporation of Delaware, and said buyer proposes to acquire and purchase sellers' certificates to operate as a highway common carrier and certain equipment and properties. The transaction, of which this application is a part, includes the sale and purchase of interstate operating rights for which approval was obtained from the Interstate Commerce Commission by order issued March 9, 1960, in Docket No. MC-F-7257.

The transaction involved herein is evidenced by a contract in writing between the buyer and sellers, a copy of which is marked Exhibit "B" and attached to the application. The purchase price of \$226,060.50 was determined by appraisal and is subject to adjustment for inventories and for depreciation of equipment. Of the purchase price, the sum of \$500 has been allocated to the certificates involved in this application and the remainder will be carried by the purchaser on its books as tangible property and good will. The purchase price

is payable in five annual installments plus interest at the rate of 5 percent per annum on the unpaid portion of the purchase price. Buyer reports it has the financial resources with which to pay the purchase price without financing.

The balance sheet of sellers, Nevada California Transportation Company, as of December 5, 1959, shows total assets of \$121,560 and partnership capital of \$81,325. Sellers' condensed statement of income for the period January 1 to December 5, 1959, shows net income before income tax of \$8,499. The balance sheet of buyer, Consolidated Freightways Corporation of Delaware, shows total assets of \$57,728,098 and stockholders' equity of \$25,087,822. Buyer's net income before income tax for the period January 1 through December 5, 1959, amounted to \$1,617,822.

As justification for the proposed transfer, applicants point out that after acquisition of the interstate authority approved by the Interstate Commerce Commission and the intrastate authority for which approval is herein sought, buyer will be able to render an integrated service throughout northeastern California, Nevada and Oregon. They further state that buyer has the experience, facilities and finances necessary for the establishment and maintenance of such a service, and that the public interest will be served by the granting of the application.

After consideration the Commission finds and concludes that the proposed transfer would not be adverse to the public interest and should be authorized, that the money, property or labor to be procured or paid for by the execution of the agreement providing for long-term indebtedness is reasonably required for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing in this matter is not necessary.

The authorization herein granted shall not be construed as a finding of the value of the rights and equipment nor as a determination that the amounts referred to herein and in the application and exhibits attached thereto will be accepted as proper bases for an order authorizing the issue of securities.

Applicant Consolidated Freightways Corporation of Delaware 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 over a particular route. 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.

Applicants, by letter dated March 29, 1960, which letter is hereby made a part of the formal file in this proceeding, have requested that this decision when issued be made effective on the date hereof. Such request will not be granted, but the decision will be made effective ten days after the date on which it is issued.

O R D E R

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

IT IS ORDERED:

1. That on or before November 1, 1960, Carrie E. Ginocchio, John R. Ginocchio and Bertha E. Wheeler, a partnership doing business as Nevada California Transportation Company, may sell and transfer,

and Consolidated Freightways Corporation of Delaware, a corporation, may purchase and acquire, the operative rights and property referred to in the application and on page 1 of this decision, in accordance with the provisions of Exhibit B attached to the application.

Consolidated Freightways Corporation of Delaware may incur the long-term indebtedness as provided in said exhibit.

2. That within thirty days after the consummation of the transfer herein authorized, Consolidated Freightways Corporation of Delaware shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. That on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the operations here involved to show that Carrie E. Ginocchio, John R. Ginocchio and Bertha E. Wheeler have withdrawn or canceled, and Consolidated Freightways Corporation of Delaware has adopted or established as its own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.

The authority herein granted to incur indebtedness shall become effective when Consolidated Freightways Corporation of Delaware has paid the fee prescribed by Section 1904 (b) of the Public Utilities

Code, which fee is \$227. In other respects, this order shall become effective ten days after the date hereof.

Dated at San Francisco, California, this 3<sup>rd</sup> day of May, 1960.

Arvid R. Page  
President

John E. Mitchell

William D. ...

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Theodore J. ...  
Commissioners

PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
**PAID**  
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BY