

**ORIGINAL**

Decision No. 63284

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

ATLAS DRAYAGE & RIGGING CO.,  
a corporation,

UNITED TRANSFER COMPANY-  
CARLEY & HAMILTON, INC.,  
a corporation,

and

SIGNAL TRUCKING SERVICE, LTD.,  
a corporation,

for authority for SIGNAL TRUCKING  
SERVICE, LTD. to purchase all of  
the capital stock of ATLAS DRAYAGE  
& RIGGING CO. & UNITED TRANSFER  
COMPANY-CARLEY & HAMILTON, INC.

Application No. 43739  
Petition for Modification  
Filed January 24, 1962

OPINION ON PETITION FOR MODIFICATION

By Decision No. 62695, dated October 17, 1961, the Commission authorized Signal Trucking Service, Ltd., hereinafter referred to as "Signal," among other things, to acquire and hold all the issued and outstanding stock of United Transfer Company-Carley & Hamilton, Inc., hereinafter referred to as "United."

Signal now owns all the issued and outstanding shares of stock of another corporation named C. A. Worth & Co., hereinafter referred to as "Worth." Both United and Worth are engaged

in business as highway common carriers of general commodities, with certain exceptions, in the San Francisco-East Bay Cartage Zone. It is reported that the Interstate Commerce Commission, following receipt of an application by Signal to acquire United's shares of stock, requested Signal to combine the operations of United and Worth. Accordingly, an application was filed with the Interstate Commerce Commission for an order authorizing United to sell its assets to Worth and authorizing Worth to purchase said assets and to assume the liabilities of United.

Applicants seek similar authorization in their petition for modification filed with us in this proceeding. A review of such petition shows that Worth will acquire equipment, current and other assets in the amount of \$124,163 (including intangible assets of only \$723) and will assume current liabilities of \$56,827, long-term obligations of \$589, and deferred credits and operating reserves of \$16,747, a total of \$74,163. The difference of \$50,000 will be credited by Worth to its unearned surplus account.

Pro forma financial statements as of September 30, 1961, filed with the petition, show for the consolidated operations current assets of \$88,797 and current liabilities of \$84,165 and a capital structure consisting of long-term debt of \$6,039 and proprietary capital of \$194,132. The statements and the petition indicate that the consolidation

of the two corporations will result in economies in operating costs with no change in the rates or service to the public.

Upon considering this matter we find and conclude that the proposed transfer will not be adverse to the public interest and we will enter an order authorizing United to sell its assets to Worth. In making this order we place Worth upon 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.

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.

ORDER ON PETITION FOR MODIFICATION

The Commission having considered the above-entitled petition and being of the opinion that a public hearing is not necessary, and that the requests of applicants should be granted, therefore,

IT IS ORDERED that -

1. United Transfer Company-Carley & Hamilton, Inc., on or after the effective date hereof and on or before December 31, 1962, may sell and transfer to C. A. Worth & Co. its certificate of public convenience and necessity granted by Decision No. 53064, dated May 15, 1956, as amended by Decision No. 53553, dated August 7, 1956, and its assets, as set forth in this petition for modification.

2. C. A. Worth & Co. may purchase said certificate and assets and, as a condition to such authority, shall assume the payment of the outstanding liabilities of United Transfer Company-Carley & Hamilton, Inc., as set forth in this petition for modification.

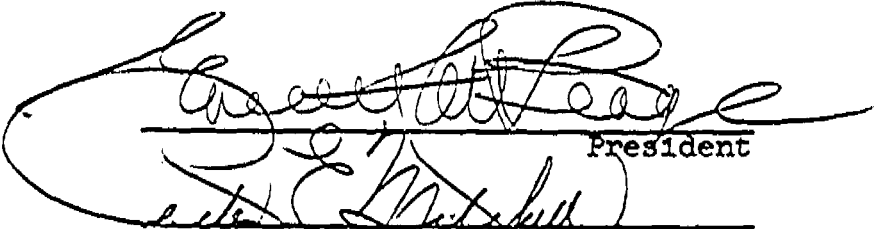

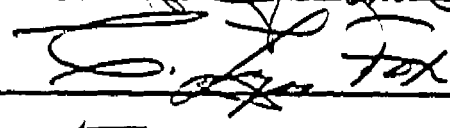
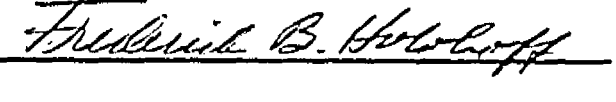
3. Within 30 days after the consummation of the transfer herein authorized, C. A. Worth & Co., a corporation, shall notify the Commission, in writing, of the fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

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 on file with the Commission naming rates, rules and regulations governing the operations here involved to show that United Transfer Company-Carley

& Hamilton, Inc., has withdrawn or canceled and C. A. Worth & Co. 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.

5. The authority herein granted shall become effective 20 days after the date hereof.

Dated at San Francisco, California,  
this 20<sup>th</sup> day of FEBRUARY, 1962.

  
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President  
  
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Commissioners

Commissioner.....George G. Grover, being  
necessarily absent, did not participate  
in the disposition of this proceeding.