

ORIGINAL

Decision No. 63557

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of KENNETH PARIS to transfer certificate of public convenience and necessity to T & S MOTOR EXPRESS, INC., a corporation, and for T & S MOTOR EXPRESS, INC., a corporation, to issue stock.

Application No. 44291
Filed March 23, 1962

O P I N I O N

This is an application for an order of the Commission (1) authorizing Kenneth Paris to sell and transfer his highway common carrier operative rights, together with revenue equipment and other assets, to T & S Motor Express, Inc., and (2) authorizing said corporation to assume indebtedness and to issue \$16,090 par value of its capital stock.

Kenneth Paris, doing business as T & S Motor Express, operates as a highway common carrier of special commodities between San Francisco, on the one hand, and certain points to the north of San Francisco located in Lake, Marin, Mendocino, Napa and Sonoma Counties, on the other hand, and of general commodities in portions of Lake, Marin, Mendocino, Napa, Solano and Sonoma Counties, all under operative rights acquired pursuant to authority granted by Decision No. 60508, dated August 2, 1960, in Application No. 42337.

The application shows that Kenneth Paris desires to conduct his transportation operations under a corporate form of organization, and to such end on or about October 28, 1960, he caused to be formed T & S Motor Express, Inc., a California corporation. A pro forma balance sheet of said corporation, as of December 31, 1961, giving effect to the proposed transfer and stock issue, is as follows:

<u>Assets</u>	
Current assets	\$14,600
Fixed assets	39,360
Prepaid expense	1,228
Deposits	<u>5,338</u>
Total	<u>\$60,526</u>
<u>Liabilities</u>	
Current liabilities	\$37,041
Equipment and long-term obligations	7,395
Common stock	<u>16,090</u>
Total	<u>\$60,526</u>

Kenneth Paris asserts that he has determined that certain operating costs will be reduced by the conducting of the transportation business by a corporation rather than by himself as an individual. In addition, he states that he is engaged in several additional enterprises, and that it would be desirable to have such transportation enterprise separated from the other businesses in which he engages.

It appears that there will be no change in the rates, service or management as the result of the transfer and that the same equipment, facilities and other assets will be available to the public.

Upon reviewing the verified application we find and conclude that (1) the proposed transfer will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we will enter an order granting the application.

T & S Motor Express, Inc., 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.

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, and that the application should be granted, therefore,

IT IS ORDERED that -

1. Kenneth Paris, on or after the effective date hereof and on or before July 31, 1962, may sell and transfer, and T & S Motor Express, Inc., may purchase and acquire, the operative rights and property referred to in the application.

2. T & S Motor Express, Inc., on or after the effective date hereof and on or before July 31, 1962, in payment for said assets may assume outstanding indebtedness and may issue not to exceed \$16,090 par value of its capital stock.

3. Within thirty days after the consummation of the transfer herein authorized, T & S Motor Express, Inc., 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.

4. On not less than thirty 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 Kenneth Paris has withdrawn or canceled, and T & S Motor Express, Inc., 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.

5. T & S Motor Express, Inc., 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 effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California,
this 17th day of APRIL, 1962.

[Signature] President
[Signature]
[Signature]
[Signature] Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.
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