

ORIGINAL

Decision No. 64488

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

INTERSTATE MOTOR LINES, INC.,
a corporation, and

I M L EXPRESS, a corporation,

for authority of Interstate Motor
Lines, Inc. to transfer operating
rights and for I M L Express to
issue corporate stock.

Application No. 44803
Filed September 24, 1962

O P I N I O N

Interstate Motor Lines, Inc., a Utah corporation, is engaged in business as a common carrier by motor vehicles, under certificates of public convenience and necessity issued to it by the California Commission and by the Interstate Commerce Commission, and as an express corporation in intra-state commerce within the State of California. In this application it reports that it has determined that it will be beneficial for it to conduct its express operations by and through a separate entity and that it has organized I M L Express, a California corporation, for the purpose of having it take over its express operative rights and continue the express business, the agreed consideration for the transfer of the rights being the sum of \$10. I M L Express proposes to issue 250 shares of its common stock of the par value of \$10 a share for operating capital.

After consideration, the Commission find that the proposed transfer will not be adverse to the public interest and that the application should be granted.

I M L Express, a corporation, 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 authorization herein granted is not to be construed to be a finding of the value of the operative rights herein authorized to be transferred.

ORDER

The Commission has considered the above-entitled matter, has determined that a public hearing is not necessary, and is of the opinion that 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 that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS ORDERED that -

1. On or before December 31, 1962, Interstate Motor Lines, Inc., may sell and transfer and I M L Express, a corporation, may purchase and acquire, the rights to operate as an express corporation within the State of California which Interstate Motor Lines, Inc., acquired pursuant to authorization granted by Decision No. 60495, dated August 2, 1960.

2. I M L Express, a corporation, may issue and sell not to exceed 250 shares of its common stock, at the par value of \$10 a share, and use the proceeds for the purpose of providing working capital. Interstate Motor Lines, Inc., may acquire and hold said shares.

3. Within thirty days after the consummation of the transfer herein authorized, I M L Express, a corporation, 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. Applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the express operations here involved to show that Interstate Motor Lines, Inc., has withdrawn or canceled, and I M L Express, a corporation, has adopted or established, as its own, said rates, rules and regulations. The tariff

filings shall be made effective not earlier than ten days after the effective date of this order on not less than ten days' notice to the Commission and to the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. 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-A.

5. I M L Express, 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 shall become effective twenty days after the date hereof.

Dated at San Francisco, California,
this 7th day of NOVEMBER, 1962.

George H. Grover
President
W. S. Hutchins
E. J. Felt
Carroll W. Ray
Frederick B. Holshoff
Commissioners