

ORIGINAL

Decision No. 65282

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) JANSEN TRANSPORTATION CO., INC., a corporation, to purchase, and of ROBERT A. JANSEN, LLOYD M. JANSEN, WAYNE E. JANSEN and ELROY A. JANSEN, copartners doing business as JANSEN TRANSPORTATION COMPANY, to sell a certificate of public convenience and necessity for the transportation of special commodities between points in the Los Angeles Territory, pursuant to Section 851-853 of the California Public Utilities Code.

(b) JANSEN TRANSPORTATION CO., INC., a corporation, to issue shares of its common capital stock, pursuant to Section 816-830 of the California Public Utilities Code.

Application No. 45302
Filed March 29, 1963

O P I N I O N

The application shows that Robert A. Jansen, Lloyd M. Jansen, Wayne E. Jansen and Elroy A. Jansen, copartners doing business as Jansen Transportation Company, are engaged in business in California as a highway common carrier under a certificate of public convenience and necessity issued by the Commission in Decision No. 53774, dated September 18, 1956, in Application No. 36470, and as a highway contract carrier and a city carrier; that said partners now desire to conduct their operations under a corporate form of

organization; and that they propose, and seek authorization, to transfer operative rights and equipment, at net book value, to Jansen Transportation Co., Inc., a corporation which they have organized, in exchange for \$118,000 par value of common stock. No value has been assigned to the operative rights.

Applicants report that the proposed transfer will not result in any change in rates or management or in ultimate ownership as the transferors will be the officers and shareholders of the new corporation.

We have considered this application and we find that the proposed transfer will not be adverse to the public interest; that the money, property or labor to be procured or paid for by the issue of the shares of 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. A public hearing is not necessary. We will enter an order granting the application.

In making this order we place Jansen Transportation Co., Inc., 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

holders 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 fixing of the value of the operative rights and assets to be transferred. So far as the rights are concerned, the authorization herein granted is for the transfer of only the certificate of public convenience and necessity now held by the transferors. A separate application must be filed for the transfer of the highway contract and city carrier permits.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1963, Robert A. Jansen, Lloyd M. Jansen, Wayne E. Jansen and Elroy A. Jansen, copartners doing business as Jansen Transportation Company, may sell and transfer, and Jansen Transportation Co., Inc., a corporation, may purchase and acquire, the certificate of public convenience and necessity issued by the Commission in Decision No. 53774, dated September 18, 1956, in Application No. 36470, together with the assets as set forth in this application.

2. Jansen Transportation Co., Inc., for the purpose of acquiring said certificate and assets, may assume the payment of outstanding indebtedness and may issue not to exceed 1,180 shares of its \$100 par value common stock.

3. Within thirty days after the consummation of the transfer herein authorized Jansen Transportation Co., 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. Applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations here involved to show that Jansen Transportation Co., Inc., 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 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. Jansen Transportation Co., 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 authority herein granted shall become effective ten days after the date hereof.

Dated at San Francisco, California,
this 1st day of MAY, 1963.

George J. Hoover
President

Carl E. [unclear]
Arnold [unclear]

William W. Bennett

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.
Commissioners