

weight or bulk, require special handling or equipment, between points in California extending from Garberville, Red Bluff and Johnstonsville, on the north, and Salinas, Fresno and Independence, on the south. In addition to the operating authority the transfer includes forty units of equipment and certain office and miscellaneous equipment.

As of March 31, 1963, the partnership indicated total liabilities in the amount of \$48,715.24 and a net worth in the amount of \$26,548.22. The partnership capital is as follows:

General Partners

William D. Sorensen	\$ 5,679.95
John W. Ashford	4,470.60

Limited Partners

Gordon H. Ball	8,198.84
Estate of Millen L. Simpson	<u>8,198.83</u>

Total	\$26,548.22
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Gordon H. Ball is the controlling owner of Gordon H. Ball Company and Gordon H. Ball, Inc., separate general contracting firms. He is also engaged as a general contractor with the Estate of Millen L. Simpson in the operation of a partnership, doing business as Ball and Simpson.

Because said general contracting firms employ Bassco Drayage and order for-hire motor carriers for their transportation requirements and because Bassco Drayage not only utilizes its own equipment but also engages subhaulers at rates less than the minimum to fulfill the transportation needs of Gordon H. Ball Company, Gordon H. Ball, Inc., and Ball and Simpson, the staff recommends that the following restriction be placed upon the operating authority herein considered:

"Whenever Bassco Drayage, Inc., engages other carriers for the transportation of property of Ball and Simpson, Gordon H. Ball, and Gordon H. Ball, Inc., subsidiaries of or customers or suppliers of said entities, Bassco Drayage, Inc., shall not pay such carriers less than 100% of the applicable minimum rates and charges established by the Commission for the transportation actually performed by such other carriers."

Applicants contend that no restriction is required because applicant Ball and the Estate of Simpson, being limited partners, exercise no control in the operations of Bassco Drayage. According to applicants the major portion of the service performed by Bassco Drayage would be for companies competitive with Gordon H. Ball Enterprises. They contend that 90 percent of the shipments handled for customers and suppliers of Gordon H. Ball Enterprises would be unrelated to said companies. According to the record Bassco Drayage transported approximately 1,100 shipments during the first six months of 1963 and utilized the services of subhaulers on 53 shipments, only five of which were transported for Gordon H. Ball Enterprises. A representative of Gordon H. Ball Enterprises testified that Bassco Drayage handled less than 1 percent of his companies' total shipments to job sites.

Applicants argue that the operating ratio of Bassco Drayage will not permit any further loss of business; that the 15 percent of revenue retained on subhaul shipments to defray costs of dispatching, preparing instructions for delivery to job site destination, providing special equipment, billings and claims, is necessary if the operation is to be conducted profitably; and that

if any restriction is imposed it should be set forth in the order and not the loose-leaf appendix describing the operating authority and should relate only to shipments from or to places of business of Gordon H. Ball, Ball and Simpson or Gordon H. Ball, Inc., and not unrelated shipments transported for customers and suppliers of said companies.

After consideration, the Commission finds as follows:

1. The proposed transfer would 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 purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

3. Because of the relationship between Gordon H. Ball, Ball and Simpson and Gordon H. Ball, Inc. with the partnership doing business as Bassco Drayage and the newly formed corporation, Bassco Drayage, Inc., the certificate granted by Decision No. 61108 should be restricted with respect to subhaulers. The record, however, does not indicate that Gordon H. Ball, Ball and Simpson and Gordon H. Ball, Inc. exercise any influence over the use of carriers by their customers and suppliers on unrelated shipments.

4. The imposition of a restriction against the use of subhaulers on unrelated shipments for customers and suppliers of Gordon H. Ball, Ball and Simpson and Gordon H. Ball, Inc. would serve no useful purpose and if imposed would adversely affect the financial status of Bassco Drayage, Inc.

5. A restriction concerning rates when subhaulers are used for transportation of property of Gordon H. Ball, Ball and Simpson or Gordon H. Ball, Inc. should be included in the appendix hereto.

The Commission concludes, therefore, that the application should be granted in the manner set forth in the ensuing order.

C R D E R

IT IS ORDERED that:

1. After the effective date hereof and on or before May 1, 1964, John W. Ashford, William D. Sorensen, Gordon H. Ball and Florence A. Simpson, Executrix of the Estate of Millen L. Simpson, Deceased, doing business as Bassco Drayage, may transfer and Bassco Drayage, Inc. may acquire the property and operating authority herein referred to. For accounting purposes applicants may consummate the transfer as of April 1, 1963.

2. In providing service pursuant to the certificate herein granted, Bassco Drayage, Inc. shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 99 and insurance requirements of the Commission's General Order No. 100-B. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Orders Nos. 99 and 100-B, may result in a cancellation of the operating authority granted by this decision.

- (b) Within one hundred twenty days after the effective date hereof, applicant shall establish the service herein authorized and file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the service herein authorized.
- (d) 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-A.

3. After the effective date hereof and on or before May 1, 1964, Bassco Drayage, Inc. may issue not to exceed \$26,540 par value of its capital stock for the purposes heretofore specified and may assume liabilities in the amount of \$48,715.24.

4. Bassco Drayage, 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 hereof.

5. Appendix A of Decision No. 61108 is hereby amended by incorporating therein First Revised Page 3, attached hereto, in lieu of Original Page 3 and by incorporating therein Original Page 4, attached hereto.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 15th day of OCTOBER, 1963.

Stella La Berr
President
W. J. ...
George T. Grover
Fredrick B. Holoboff
Commissioners

26. State Highway 152 between Watsonville and Califa, inclusive.
27. State Highway 180 between Mendota and Cedar Grove, inclusive.
28. State Highway 168 between State Highway 41, near Pinedale, and Lake Florence, inclusive.
29. Unnumbered highway paralleling north fork of Kings River between State Highway 180, near Centerville, and Balch Camp, inclusive.
30. State Highway 132 between Vernalis and Coulterville, inclusive.
31. State Highways 37 and 48 between U.S. Highway 101, near Ignacio, and Vallejo, inclusive.
32. State Highway 45 between Knight's Landing and State Highway 32, near Hamilton City, inclusive.

CONDITIONS:

1. Applicant shall transport no shipment subject to a minimum weight of 10,000 pounds or less or subject to a rate applicable to a shipment of 10,000 pounds or less to, from or between the following points:
 - a. Points on U.S. Highway 50 between Placerville and the California-Nevada state line, inclusive.
 - b. Points on State Highway 89 between U.S. Highways 40 and 50.
 - c. Points on U.S. Highway 395 between Independence and the California-Nevada state line, inclusive.
2. Whenever Bassco Drayage, Inc. engages other carriers for (1) the transportation of property of Gordon H. Ball, Ball and

Issued by California Public Utilities Commission.

Decision No. 66122, Application No. 45249.

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Appendix A

BASSCO DRAYAGE, INC.
(a corporation)

Original Page 4

Simpson or Gordon H. Ball, Inc., Bassco Drayage, Inc. shall not pay such carriers less than 100% of the applicable minimum rates and charges established by the Commission for the transportation actually performed by such other carriers.

End of Appendix A

Issued by California Public Utilities Commission.

Decision No. 66144, Application No. 45249.