

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of NED D. WILLIAMS,
 an individual doing business as
 DESERT TRANSFER & STORAGE, to
 sell operating rights and
 equipment; of DESERT TRANSFER
 & STORAGE, a California
 corporation, to purchase said
 operating rights and equipment;
 and of DESERT TRANSFER & STORAGE,
 a California corporation, to
 issue capital stock.

Application No. 45921
 Filed October 30, 1963

O P I N I O N

This is an application for an order of the Commission
 (1) authorizing Ned D. Williams, doing business as Desert
 Transfer & Storage, to sell and transfer his highway common
 carrier certificate of public convenience and necessity,
 together with related equipment and other assets, to Desert
 Transfer & Storage, a corporation, and (2) authorizing Desert
 Transfer & Storage, a corporation, in acquiring said assets,
 together with financing organizational costs and obtaining
 working capital, to issue and sell \$30,000 par value of its
 common capital stock.

By Decision No. 60185, dated May 25, 1960, in
 Application No. 42090, the Commission granted to N. D.
 Williams a certificate of public convenience and necessity
 authorizing the transportation of property as a highway

common carrier of general commodities, with certain exceptions, between the Los Angeles Territory and San Bernardino, on the one hand, and all points on State Highway 111 between Palm Springs and Indio, including Palm Springs, and all points in the Coachella Valley Territory, on the other hand, which does not include the right to render service to, from or between intermediate points.

Desert Transfer & Storage, a corporation, became organized under the laws of the State of California on or about September 12, 1963. It proposes, and seeks authority, to issue and sell \$30,000 par value of its common capital stock, at par, and to expend \$25,000 of the proceeds for operating rights, equipment and other assets of Ned D. Williams, and to retain \$5,000, less organizational expenses, for working capital.

After consideration the Commission finds that (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 (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

Desert Transfer & Storage, 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 cancelled 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 certificate of public convenience and necessity and other assets to be transferred. The authorization herein granted is for the transfer of only the certificate of public convenience and necessity and related assets of Ned D. Williams and does not authorize him to transfer any permitted carrier operative rights.

O R D E R

IT IS ORDERED that:

1. On or before June 30, 1964, Ned D. Williams may sell and transfer, and Desert Transfer & Storage, a corporation, may purchase and acquire, the operative rights and property referred to in the application.

2. Desert Transfer & Storage, a corporation, for the purposes set forth in the application, may issue and sell, at par, not to exceed \$30,000 par value of its common capital stock.

3. Within thirty days after the consummation of the transfer herein authorized, Desert Transfer & Storage, 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. Desert Transfer & Storage, a corporation, shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations herein to show that it has adopted or established, as its own, said rates, rules and regulations. 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 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. Desert Transfer & Storage, 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 effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 10th day of December, 1963.

William L. Bennett
President

W. E. Mitchell
W. E. Mitchell

George T. Thayer

Frederic B. Hildehoff
Commissioners