ds a ORIGINAL Decision No. 67368 BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA In the Matter of the Application of AMERICAN TRANSFER CO., a corporation, for a certificate of public convenience and necessity to operate as a Application No. 43207 highway common carrier. In the Matter of the Application of AMERICAN TRANSFER CO., a corporation, to sell, and G. A. R. TANK LINES, a Application No. 44910 corporation, to purchase, a highway common carrier certificate. Handler, Baker & Mastoris, by Marvin Handler, for applicants. Graham, James & Rolph, by Boris H. Lakusta and E. Myron Bull, Jr., for Blankenship Motors, Inc., California Cartage Company, California Motor Transport Co. and California Motor Express, Ltd., Constructors Transport Co.,
Delta Lines, Inc., Di Salvo Trucking Company;
Merchants Express of California, Southern
California Freight Lines, Pacific Motor Trucking Company, Shippers Express, Sterling Transit Co., Inc., Valley Express Co., and Valley Motor Lines, Inc., Willig Freight Lines, protestants. NOINIGO American Transfer Co., requests authority to sell and transfer to its affiliate, G. A. R. Tank Lines, a corporation, certain highway common carrier operative rights. A public hearing was held before Examiner Daly on January 10, 1963, at San Francisco. The matter was submitted upon briefs since filed and considered. The certificated authority issued to American Transfer Co. was granted by Decision No. 63024, dated January 9, 1962, in Application No. 43207 and authorized the transportation of general -1commodities, with the usual exceptions, between:

- (1) Fresno, on the one hand, and San Francisco, Pittsburg and Decoto, on the other hand.
- (2) San Francisco, on the one hand, and Stockton, on the other hand.
- (3) Pittsburg, on the one hand, and Pinedale, on the other hand.

The agreed cash consideration is \$500.

G. A. R. Tank Lines holds a radial highway common carrier permit confined to the transportation of property in tank trucks and tank trailers. It also holds a petroleum contract carrier permit. Applicant purchaser owns and operates 24 units of equipment.

According to Glenn Prickett, who is president of both companies, applicant seller also transports freight as a permitted carrier between many points in the San Joaquin Valley, on the one hand, and the San Francisco and Los Angeles areas, on the other hand. Such service, he testified, is performed for shippers who ship primarily in truckload lots and who have been customers of applicant seller for many years. He further testified that since certification in 1962, applicant seller has found it virtually impossible to continue to serve the few points authorized as a certificated carrier and at the same time to preserve the separate nature of its much broader service as a permitted carrier. According to the witness, applicant seller has a major problem with respect to the rating of split pickup or split delivery shipments when one point is certificated and the other is not. The witness testified that it was his understanding that the Commission prohibits a carrier from combining its permitted and certificated authorities for the purpose of providing a split pickup or split

Assent Aroson Holoboff not attached delivery service to certificated and noncertificated points. The witness also testified that except for such a prohibition, applicant purchaser would have no desire to transfer the certificate.

Protestants, who were also protestants in the certification proceeding (Application No. 43207), by their petition filed January 8, 1963, request that the Commission revoke the certificate granted by Decision No. 63024. It is their contention that since American Transfer Co. admits that performance under its certificate is unworkable, said certificate should be revoked and not transferred to an affiliate company.

After consideration the Commission finds that the proposed transfer and alter ego arrangement would be utilized for the purpose of defeating the prohibition against the transportation of split delivery shipments under combined certificated and permitted authorities (Decision No. 61265, Case No. 6186).

Application No. 44910 will therefore be denied.

## ORDER

IT IS ORDERED that:

- 1. Application No. 44910 is hereby denied.
- 2. The petition to revoke the certificate granted by Decision No. 63024 is hereby denied.

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

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