

**ORIGINAL**

Decision No. 67426

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
CRAIL TRANSPORTATION CO., a corpor- )  
ation, to sell, and of HEAVY TRANS- )  
PORT, INC., a corporation to )  
purchase, a certificate of public )  
convenience and necessity for the )  
transportation of special commodi- )  
ties, between points in Southern )  
California, pursuant to Sections )  
851-853 of the California Public )  
Utilities Code. )

Application No. 46630  
Filed May 13, 1964

O P I N I O N

Crail Transportation Co. requests authority to sell and transfer and Heavy Transport, Inc., requests authority to purchase and acquire certain highway common carrier operating authority, motor vehicle equipment and office equipment.

The rights were granted by Decision No. 52378 in Application No. 35946 and authorize the transportation of special commodities including those which, because of their unusual size and weight, require the use of special equipment. In addition to office equipment the transfer includes 41 units of motor vehicle equipment.

The agreed consideration is \$142,000; a value of \$2,000 is placed upon the operating authority, a value of \$2,900 is placed upon the office equipment and the operating equipment is valued at \$137,100. According to a copy of the agreement attached to the application the purchase price is payable in monthly installments of \$2,366.67, commencing on the date of consummation, plus interest at the rate of six percent per annum on the unpaid balance, which interest is also payable monthly.

Applicant purchaser is engaged in operations as a permitted carrier and as of March 31, 1964 reports a net worth in the amount of \$144,180.29.

It is alleged that the principal stockholders of applicant seller are actively engaged in its management and wish to retire.

After consideration the Commission finds that the proposed sale would not be adverse to the public interest and that the money, property or labor to be procured or paid for by the execution of the evidence of indebtedness herein authorized is reasonably required for the purposes specified herein, and that such purposes are not, in whole, or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

Heavy Transport, Inc., 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.

O R D E R

IT IS ORDERED that:

1. On or before December 1, 1964 Crail Transportation Co. may sell and transfer, and Heavy Transport, Inc., may purchase and acquire, the operative rights and property referred to in the application.

2. Within thirty days after the consummation of the transfer herein authorized, Heavy Transport, 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.

3. Heavy Transport, Inc., 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 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.

4. On or before the end of the third month after the consummation of the transfer as herein authorized, Heavy Transport, Inc., shall cause to be filed with the Commission, in such form as it may prescribe, an annual report, or reports, covering the period commencing with the first day of the current year to and including the effective date of the transfer.

5. On or after the effective date hereof and on or before June 30, 1965, purchaser may issue an evidence of indebtedness in the amount of not to exceed \$142,000, under the terms and for the purpose set forth in this proceeding.

The authority herein granted to issue an evidence of indebtedness will become effective when applicant has paid the fee

