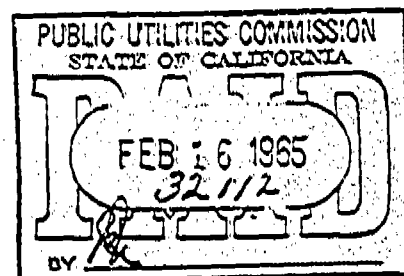


ORIGINALDecision No. 68620

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 JAKE STOKES and JOENSON McMURPHY,
 doing business as SWANSON'S TRUCKING
 SERVICE, to sell certain of their
 public utility assets and their
 certificates of public convenience
 and necessity and FAIRBANKS TRUCKING,
 INC., for authority to purchase such
 assets and certificates of public
 convenience and necessity and issue
 a chattel mortgage on utility
 property.

Application No. 47238
 (Filed January 7, 1965)

O P I N I O N

Jake Stokes and Johnson McMurphy, doing business as Swanson's Trucking Service, request authority to sell and transfer and Fairbanks Trucking, Inc., requests authority to purchase and acquire certain highway common carrier authority and property. Authority is also requested to issue a promissory note in the amount of \$275,000 and a chattel mortgage on utility property.

Applicant sellers are presently engaged as certificated carriers in both intrastate and interstate commerce between numerous points within the State. Their intrastate authority was granted by Decision No. 61302, dated January 4, 1961, as amended by Decision No. 61703, dated March 21, 1961, and Decision No. 62116, dated June 6, 1961, and authorizes the transportation of general commodities to, from and between all points and places within the Counties of Calaveras, Contra Costa, Sacramento, San Joaquin, Stanislaus and Merced and between said points, on the one hand, and most of the remaining points and places within the State of California, on the other hand.

According to the sales agreement, a copy of which is attached to the application as Exhibit "G", the sale includes all certificated authority of applicant sellers, both intrastate and interstate, as well as operating equipment with certain minor exceptions. The equipment totals 139 units. The agreed consideration is \$331,485, payable as follows: \$56,485 in cash and the balance of \$275,000 in equal monthly installments over a period of seven years without interest. The unpaid balance is to be secured by a promissory note and a chattel mortgage on the property.

Applicant purchaser is presently operating as a permitted carrier with radial highway common carrier and highway contract carrier permits. These permits are conditioned as to certain alter ego shippers (E. J. Gallo Winery, Midcal Aluminum, Inc., and Gallo Glass Co.). It owns and operates 98 units of equipment. As of September 30, 1964, it indicated a net worth in the amount of \$283,543 and for the first nine months of 1964 realized a net income in the amount of \$246,835.

After consideration the Commission finds that the proposed sale would not be adverse to the public interest and that the issue of the promissory note and chattel mortgage 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.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or before December 1, 1965, Jake Stokes and Johnson McMurphy may sell and transfer, and Fairbanks Trucking, Inc., a corporation, may purchase and acquire, the intrastate operative rights and property referred to in the application. These operative rights are conditioned as follows:

Whenever applicant engages other carriers for the transportation of property of E. J. Gallo Winery, Midcal Aluminum, Inc., or Gallo Glass Co. or customers or suppliers of said companies or corporations, the carrier shall not pay such other carriers rates and charges less than rates and charges published in the carrier's tariffs on file with this Commission.

2. Within thirty days after the consummation of the transfer herein authorized, Fairbanks Trucking, 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. Fairbanks Trucking, 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 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, Fairbanks Trucking, 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. Applicants are hereby authorized to execute evidence of indebtedness not to exceed \$275,000 and to issue a chattel mortgage on the property specified in Exhibit "B" attached to the application.

6. The authority herein granted to issue a note will become effective when applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$275. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 16th day of FEBRUARY, 1965.

Fredrick F. Holcroft
President
Arthur E. Hutchins
George T. Hoover
Augusta
William W. Bennett
Commissioners

