

ORIGINAL

Decision No. 68735

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of (1) SIGNAL TRUCKING SERVICE,)
LTD., a corporation, to sell, and)
CARTER TRUCKING, a corporation,)
to purchase certain authority to)
operate as a highway common)
carrier; (2) CARTER TRUCKING to)
issue shares of its capital)
stock; (3) CARTER TRUCKING to)
issue its promissory note.)

Application No. 47200
Filed December 21, 1964
and Amendment
Filed February 26, 1965

O P I N I O N

This is an application for an order of the Commission (1) authorizing Signal Trucking Service, Ltd. to sell and transfer certain highway common carrier certificates of public convenience and necessity together with good will to Carter Trucking, a corporation, and (2) authorizing Carter Trucking to issue \$6,000 par value of its capital stock and a promissory note in the principal amount of \$10,000.

Signal Trucking Service, Ltd. is engaged in business as a highway common carrier in central and southern California pursuant to certificates of public convenience and necessity granted by this Commission. It also conducts activities as an interstate motor carrier subject to the jurisdiction of the Interstate Commerce Commission and possesses operative rights as a public utility warehouseman. By Decision No. 66885, dated March 3, 1964, in Application No. 46072, the company

was granted permission to acquire certain highway common carrier certificates of public convenience and necessity which authorize the transportation of general commodities, with certain exceptions, between San Francisco, Oakland, San Jose and intermediate points. It proposes to sell and transfer said certificates, together with related interstate authority and good will, to Carter Trucking for the sum of \$15,000.

Carter Trucking, a California corporation organized on or about August 21, 1962, operates as a motor carrier in the San Francisco Bay area under permits issued by this Commission. In acquiring the assets described herein, the company proposes to pay \$5,000 cash and to issue a \$10,000 promissory note in favor of the seller for the balance of the purchase price. Said note will bear interest at the rate of 6% per annum and will require repayment of principal in monthly installments of \$277.78. The corporation proposes further to issue and sell, at par, 600 shares of its \$10 par value capital stock for \$6,000 cash and to use \$2,500 of the proceeds for working capital. The \$3,500 balance plus \$1,500 of presently available funds will be applied toward the \$15,000 purchase price of the operative rights and good will, to which the company proposes to allocate \$2,000 and \$13,000, respectively.

The seller reports that its management and principal operations are located in southern California, and that it has become increasingly difficult to give the necessary attention

required to make its San Francisco Bay area business function properly. The buyer alleges that it is completely familiar with the operating problems in the area and that its shippers will benefit from the expansion of service which can be achieved under the operative rights which it seeks to purchase.

The Commission has considered this matter and finds that: (1) the proposed sale and transfer of the highway common carrier certificates of public convenience and necessity and related good will 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 and note 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. The action taken herein shall not be construed to be a finding of value of the operative rights and good will to be transferred.

The acquisition of the highway common carrier certificates of public convenience and necessity being authorized herein shall not be deemed to authorize separate operative rights to transport the same commodities between the same points and over the same routes.

O R D E R

IT IS ORDERED that:

1. On or before September 30, 1965, Signal Trucking Service, Ltd. may sell and transfer, and Carter Trucking, a corporation, may purchase and acquire, the highway common carrier certificates of public convenience and necessity and related good will referred to in this proceeding.

2. To the extent of any duplication, the highway common carrier operative rights acquired by Carter Trucking upon the consummation of the transfer herein authorized shall be deemed to be merged so that such operative rights may not later be separated to permit Carter Trucking to sell or transfer one certificate authority and retain another certificate authority to perform the same service.

3. Carter Trucking, on or before September 30, 1965, for the purposes specified in the application, may issue and sell, at par, not to exceed \$6,000 par value of its capital stock.

4. Carter Trucking, on or before September 30, 1965, may issue a promissory note in the principal amount of not to exceed \$10,000 for the purpose specified herein. Such note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit C.

5. Carter Trucking shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

6. Within thirty days after the consummation of the transfer herein authorized, Carter Trucking 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.

7. Carter Trucking shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. 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.

8. This order shall become effective when Carter Trucking has paid the minimum fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 17th day of MARCH, 1965.

Fredrick B. Halshoff
President

Peter E. Hatchell

George F. Brewer

Augustin

William W. Bennett
Commissioners

