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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

COAST CARTAGE CO., a corporation, to purchase, and of WESTERN TRUCK LEASING COMPANY, a corporation doing business under the fictitious firm name of WESTERN TRANSPORTATION COMPANY, to sell, a certificate of public convenience and necessity for the transportation of general commodities, between points in southern California, pursuant to Sections 851-853 of the California Public Utilities Code.

Application No. 50795
(Filed January 2, 1969)

O P I N I O N

The applicants herein request an order of the Commission authorizing Western Truck Leasing Company, a corporation, doing business under the fictitious firm name of Western Transportation Company, hereinafter referred to as Western, to sell its highway common carrier certificate of public convenience and necessity to Coast Cartage Co., a corporation, hereinafter referred to as Coast.

Certified copies of the Articles of Incorporation of the applicants are on file with the Commission, Coast articles with Application No. 43164 and Western articles with Application No. 47390; said articles have not been amended.

The certificate to be transferred was issued by the Commission in Decision No. 54542 dated February 19, 1957, in Application No. 36495, and amended by Supplemental Order, Decision No. 55030, dated May 21, 1957.

The parties have executed a purchase and sale agreement dated December 2, 1963, (a copy of which is attached to the application) which among other things, provides for sale of the intrastate certificate for the sum of \$10,000 and the sale of the interstate certificate, ICC Docket No. MC 30536, for the sum of \$15,000. Said sale is conditioned upon completion of a plan of reorganization of Coast and WTC Air Freight, a California corporation, which is to be approved by their stockholders and consummated subsequent to the consummation of this agreement, and also conditioned upon the sale by Coast of its certificate as authorized by this Commission in Decision No. 75143, dated December 20, 1963, in Application No. 50724, and further conditioned upon approval of the Interstate Commerce Commission of the transfer of the interstate certificate. No assets other than the certificates are to be transferred by this sale.

No changes are to be made in the rates which are now in effect. Western participates in the rates set forth in Western Motor Tariff Bureau, Inc., Agent, Local, Joint and Proportional Freight and Express Tariff No. 111 (Cal. PUC 15), W. J. Knoell, Issuing Officer. Western is a party to joint through-rate tariffs with Associated Freight Lines and Western Gillette, Inc. Coast proposes to adopt the tariffs of Western.

It is proposed that Coast will continue to handle not only the traffic of its present shippers but, also, the traffic now being handled by Western. Through the use of the present operating authorities of Western, and the Coast equipment facilities, Coast proposes to provide on a continuous basis a service which will meet the shipping requirements of the public now served by them individually, and thereafter, Western will cease all operations as a highway carrier, certificated or otherwise.

A list of motor vehicle equipment operated by Coast is attached to the application and describes 66 units of equipment which are to be used in the future operations of Coast. It is alleged that Coast has adequate facilities and experience to provide a satisfactory service as a highway common carrier of general commodities.

Financial statements of Coast, the buyer, attached to the application, disclose that as of September 30, 1968, its total assets were \$504,544.00, and total liabilities \$121,903.85. Total operation revenue September 30, 1968, was \$1,286,072.00 resulting in a net income from operations of \$34,162.68.

After consideration the Commission finds that:

1. The granting of the application will permit buyer to furnish a more complete and satisfactory service to its shippers and the shippers of transferor which they need and require.

2. The agreement of sale dated December 2, 1968, between the buyer and seller is not adverse to the public interest and the proposed transfer should be authorized.

3. Coast, a corporation, has the financial resources, experience, facilities, equipment, and personnel to conduct the common carrier operations to be transferred.

No protests have been received.

A public hearing is not necessary.

After consideration, the Commission finds that the proposed transfer would not be adverse to the public interest and concludes that the application should be granted.

Coast Cartage Co., 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 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 six months after the date hereof Western Truck Leasing Company, a corporation, doing business under the fictitious firm name of Western Transportation Company, may sell and transfer, and Coast Cartage Co., a corporation, may purchase and acquire, the operative rights referred to in the application.

2. Within thirty days after the consummation of the transfer herein authorized, Coast Cartage Co. 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. Coast Cartage Co. 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 ten days after the effective date of this order on not less than ten 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

