

**ORIGINAL**

Decision No. 76128

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of: )

(a) MERCURY FREIGHT LINES, a )  
corporation, to purchase, and of )  
JACK A. CRONSHAW, an individual )  
doing business as MERCURY FREIGHT )  
LINES, to sell, a certificate of )  
public convenience and necessity )  
for the transportation of general )  
commodities, as a highway common )  
carrier, between points in the )  
Los Angeles Basin Region, pursuant )  
to Sections 851-853 of the )  
California Public Utilities Code. )

Application No. 51301  
Filed August 7, 1969

(b) MERCURY FREIGHT LINES, a )  
corporation, to issue shares of )  
its common capital stock, pursuant )  
to Sections 816-830 of the )  
California Public Utilities )  
Code. )

O P I N I O N

Jack A. Cronshaw, doing business as Mercury Freight Lines, requests an order of the Commission authorizing him to sell and transfer his highway common carrier certificate of public convenience and necessity and related assets to Mercury Freight Lines, a corporation, and authorizing the latter to issue 165 shares of its \$100 par value common capital stock.

By Decision No. 62199, dated June 27, 1961, as amended, in Application No. 43123, the Commission granted a certificate of public convenience and necessity to Jack A. Cronshaw authorizing him to operate as a highway common carrier in the Los Angeles Basin Region. In addition, he performs permitted carrier operations subject to the jurisdiction of this Commission and also operates under the jurisdiction of the Interstate Commerce Commission. For the year 1968, the carrier reports total operating revenues and net income of \$306,247 and \$11,732, respectively.

Mercury Freight Lines is a California corporation incorporated on or about July 16, 1969. In exchange for \$16,500 aggregate par value of its common capital stock, the corporation proposes to acquire certain assets, subject to current liabilities, of Jack A. Cronshaw, doing business as Mercury Freight Lines.

A pro forma balance sheet as of June 30, 1969, giving effect to the proposed transactions, is summarized from Exhibit B, attached to the application, as follows:

Assets

Current assets	\$20,208
Fixed assets less reserves for depreciation	7,254
Intangible property	<u>300</u>
Total	<u>\$27,762</u>

Liabilities

Current liabilities	\$11,262
Common capital stock	<u>16,500</u>
Total	<u>\$27,762</u>

After consideration the Commission finds that: (1) the proposed transfer 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 herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is 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 as a finding of the value of the properties to be transferred. So far as the rights are concerned the authorization herein granted is for the transfer of the intrastate highway common carrier certificate of public convenience and necessity only. Any transfer of permitted operative rights must be the subject of a separate application or applications.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1969, Jack A. Cronshaw may sell and transfer, and Mercury Freight Lines, a corporation, may purchase and acquire, the intrastate highway common carrier certificate of public convenience and necessity and related assets referred to in the application.

2. Mercury Freight Lines, a corporation, on or before December 31, 1969, for the purpose specified in this proceeding, may issue, at par, not exceeding 165 shares of its \$100 par value common capital stock.

3. Mercury Freight Lines, a corporation, 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.

4. Within thirty days after the consummation of the transfer herein authorized, Mercury Freight Lines, a corporation, 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.

5. Mercury Freight Lines, a corporation, 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 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 set forth in the Commission's General Order No. 80-A. Failure to comply with and observe the provisions of General Order No. 80-A may result in a cancellation of the operating authority acquired pursuant to this decision.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Mercury Freight Lines, a corporation, shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the transferor for the period commencing with the first day of the current year to and including the effective date of the transfer.

7. Within thirty days after the date hereof, Mercury Freight Lines, a corporation, shall file a written acceptance of the certificate, the transfer of which is herein authorized. Mercury Freight Lines, a corporation, is placed on notice that, if it accepts such certificate, it will be required, among other things, to comply with and observe the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-E.

8. Mercury Freight Lines, a corporation, shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the

Commission, on or before March 31 of each year, an annual report of its operations in such form, content and number of copies as the Commission, from time to time, shall prescribe.

9. Mercury Freight Lines, a corporation, shall comply with the requirements of the Commission's General Order No. 84-Series for the transportation of collect on delivery shipments. If Mercury Freight Lines, a corporation, elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

10. The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 3rd day of SEPTEMBER, 1969.

William S. Jones, Jr.  
President

[Signature]  
[Signature]  
[Signature]

Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.