

Decision No. 76894

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
)
 (a) RAPIDAIR FREIGHT, a corporation,)
 for authority to issue shares of its)
 common capital stock pursuant to)
 Section 816-830 of the California)
 Public Utilities Code; and)
)
 (b) DIRECT MOTOR TRANSPORT, INC., a)
 corporation, to sell, and RAPIDAIR)
 FREIGHT, a corporation, to purchase)
 highway common carrier operating)
 rights and property, pursuant to)
 Section 851-853 of the California)
 Public Utilities Code.)
 _____)

Application No. 51697
 Filed February 6, 1970

O P I N I O N

Direct Motor Transport, Inc. seeks an order of the Commission authorizing it to transfer its highway common carrier certificate of public convenience and necessity to Rapidair Freight, and the latter requests authority to issue 10,000 shares of its common capital stock on the basis of \$3 per share.

The transferor is a California corporation operating under the jurisdiction of this Commission as a highway common carrier, a radial highway common carrier and a highway contract carrier. Its highway common carrier certificate of public convenience and

necessity (granted by Decision No. 60574, dated August 16, 1960, in Application No. 42101) has been amended and has been registered with the Interstate Commerce Commission. Said certificate authorizes the transportation of general commodities, with certain exceptions, in a portion of Southern California.

Rapidair Freight is a California corporation organized on or about April 3, 1969. It operates under the jurisdiction of this Commission as a radial highway common carrier and a highway contract carrier. According to Exhibit A-2, attached to the application, the company is engaged also in the air freight forwarding business under the jurisdiction of the Civil Aeronautics Board. As of July 25, 1969, the carrier reports total assets of \$249,746, offset by liabilities and stockholders' equity amounting to \$243,559 and \$6,187, respectively.

Direct Motor Transport, Inc. has agreed to sell to Rapidair Freight for \$50,000 said certificate of public convenience and necessity, together with the related certificate of registration and goodwill, the selling price being segregated in amounts of \$4,000, \$3,000 and \$43,000, respectively. Applicants state that the agreed purchase price of \$4,000 as and for the intrastate authority represents less than the original cost of establishing the same.

The \$50,000 price is to be paid by cash in the amount of \$20,000 with the balance of \$30,000 to be in the form of 10,000

shares of Rapidair Freight \$0.01 par value common stock valued at \$3 per share. The \$3 amount is the same as the price contained in the September 8, 1969 Offering Circular pertaining to 100,000 other shares of said stock.

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 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 as a finding of the value of the properties to be transferred.

O R D E R

IT IS ORDERED that:

1. On or after the effective date hereof and on or before December 31, 1970, under and pursuant to the terms of the Agreement for Purchase of Assets and Amendment to Agreement for Purchase of Assets, copies of which are filed in this proceeding as Exhibit A and Exhibit A-1, respectively, Direct Motor Transport, Inc. may transfer its highway common carrier certificate of public convenience and necessity to Rapidair Freight.

2. Rapidair Freight, on or after the effective date hereof and on or before December 31, 1970, for the purposes specified in this proceeding, may issue not exceeding 10,000 shares of its common capital stock at \$3 per share.

3. Rapidair Freight 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, Rapidair Freight 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. Rapidair Freight 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 five days after the effective date of this order on not less than five 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. Within thirty days after the transfer herein authorized is consummated, Rapidair Freight shall file a written acceptance of the certificate. Rapidair Freight 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.

7. Rapidair Freight 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.

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

9. This order shall become effective when Rapidair Freight has paid the minimum fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$50.

Dated at San Francisco, California,
this 10th day of MARCH, 1970.

William S. Gross, Jr.
President

August
J. [unclear]

[unclear]

Vernon L. Sturgeon
Commissioners

