

Decision No. 73426

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of:)
))
(A) REAL TRANSPORTATION COMPANY,)
a California Corporation,)
for authority to issue shares)
of its common capital stock)
pursuant to Sections 816-830)
of the Public Utilities Code.)
))
(B) RALPH S. NEWCOMER, an)
individual, doing business)
as REAL TRANSPORTATION CO.,)
to sell, and REAL)
TRANSPORTATION CO., a)
California Corporation, to)
purchase highway common)
carrier operating authority)
for the transportation of)
property between points and)
places in California,)
pursuant to Sections 851-853)
of the Public Utilities Code.)

Application No. 52446
Filed February 11, 1971

O P I N I O N

Ralph S. Newcomer, doing business as Real Transportation Company, seeks an order of the Commission authorizing him to transfer his highway common carrier certificate of public convenience and necessity and certain related assets to Real Transportation Company, a corporation, and the latter seeks authority to issue 2,000 shares of its no par value common stock.

Ralph S. Newcomer operates as a highway common carrier transporting general commodities in the Los Angeles Basin Territory, pursuant to the certificate of public convenience and necessity granted by Decision No. 62973, dated December 27, 1961, as amended by Decision No. 74541, dated August 13, 1968, in Application No. 43202. He also operates pursuant to permits issued by this

Commission and to authority from the Interstate Commerce Commission.

Real Transportation Company is a California corporation incorporated on or about August 4, 1965. The company proposes to acquire the California certificate of public convenience and necessity, together with certain related assets, subject to liabilities, from Ralph S. Newcomer in exchange for 2,000 shares of its no par value common stock. Its pro forma balance sheet, after giving effect to the proposed transactions, is summarized from Exhibit C, attached to the application, as follows:

Assets

Current assets	\$ 90,269
Tangible property, less depreciation reserves	119,049
Intangible property	4,416
Deferred debits	<u>25,461</u>
Total	<u>\$239,195</u>

Liabilities

Current liabilities	\$ 46,633
Equipment and long-term obligations	70,147
Deferred credits	3,500
Capital stock	100,000
Paid-in surplus	<u>18,915</u>
Total	<u>\$239,195</u>

After consideration the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. The proposed stock issue is for a proper purpose.
3. 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, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing 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 a 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.

Real Transportation Company, 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, these rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or cancelled 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. Ralph S. Newcomer may sell and transfer, and Real Transportation Company, a corporation, may purchase and acquire, the highway common carrier certificate of public convenience and necessity and related assets referred to in the application.

2. Real Transportation Company, a corporation, on or after the effective date hereof and on or before June 30, 1971, in acquiring said certificate and assets, may assume outstanding liabilities and issue not exceeding 2,000 shares of its no par value common stock.

3. Real Transportation Company, 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, Real Transportation Company, 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. Real Transportation Company, 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 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.

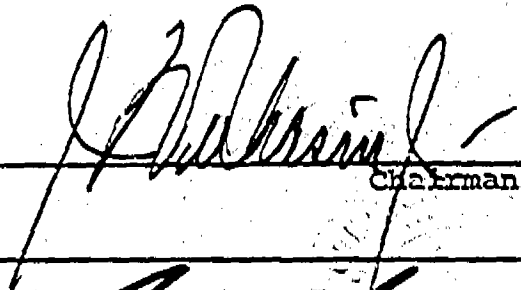
6. Within thirty days after the transfer herein authorized is consummated, Real Transportation Company, a corporation, shall file a written acceptance of the certificate. Real Transportation Company, a corporation, is placed on notice that, if it accepts such certificate, it will be required, among other 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-F.

7. Real Transportation Company, 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.

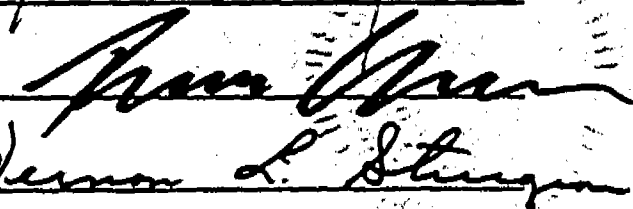
8. Real Transportation Company, a corporation, shall comply with the requirements of the Commission's General Order No. 84-Series for the transportation of collect on delivery shipments. If Real Transportation Company, a corporation, elects not to transport collect on delivery shipments, it shall make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

9. This order shall become effective when Real Transportation Company, a corporation, has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$238.

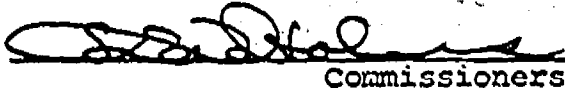
Dated at San Francisco, California, this 16th day of MARCH, 1971.



Chairman



Vernon L. Sturgeon



Commissioners

Commissioner William Simons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

