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ORIGINAL

Decision No. 80228

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of SUN STATE TRANSPORTERS INC. )  
for an order pursuant to Section )  
854 of the California Public )  
Utilities Code, authorizing SUN )  
STATE TRANSPORTERS INC., to )  
acquire the control of KEY )  
TRANSPORT, INCORPORATED. )

Application No. 53388  
(Filed June 12, 1972)

O P I N I O N

As required by Section 854 of the California Public Utilities Code, Sun State Transporters, Inc. seeks an order of the Commission authorizing it to acquire control of Key Transport, Incorporated.

Sun State Transporters, Inc. is a California corporation incorporated on or about April 13, 1972. The application shows that the corporation is not presently engaged in any active business, that no single shareholder would hold a majority of its stock, and that each proposed shareholder is a successful executive and possesses adequate resources to contribute additional capital if required.

Key Transport, Incorporated is a California corporation operating as a highway common carrier in the Los Angeles Basin Territory pursuant to the certificate of public convenience and necessity granted by Decision No. 61592, dated February 28, 1961, as amended, in Application

No. 42989. In addition, the carrier operates under permits issued by this Commission and also operates under the jurisdiction of the Interstate Commerce Commission.

Pursuant to an Agreement for Sale of Stock, Sun State Transporters, Inc. would acquire from one Frank Costigan all of the issued and outstanding stock of Key Transport, Incorporated. The approximate purchase price for said stock is \$70,000.

The application summarizes facts and circumstances justifying the proposed transaction by stating "As a result of the stock acquisition, the availability of new capital from Applicant, and the commencement of an aggressive sales campaign to increase the volume of traffic of Key, the proposed takeover of control by Applicant of Key will improve the adequacy of transportation provided by Key in the Los Angeles Basin Area and is consistent with the public interest."

It appears that applicant commenced negotiations for the stock acquisition prior to March 4, 1972, being the effective date of Section 854 of the California Public Utilities Code, which section reads as follows:

"No person or corporation, whether or not organized under the laws of this state, shall, after the effective date of this section, acquire or control either directly or indirectly any public utility organized and doing business in this state without first securing authorization to do so from the commission. Any such

acquisition or control without such prior authorization shall be void and of no effect. No public utility organized and doing business under the laws of this state shall aid or abet any violation of this section."

After consideration the Commission finds that the proposed acquisition of control of Key Transport, Incorporated by Sun State Transporters, Inc. would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary. The action taken herein shall not be construed as a finding of the value of any stock of Key Transport, Incorporated.

O R D E R

IT IS ORDERED that Sun State Transporters, Inc., on or after the date hereof and on or before December 31, 1972, may acquire control of Key Transport, Incorporated.

IT IS FURTHER ORDERED that the authority granted Key Transport, Incorporated by Decision No. 61592, as amended, is hereby further amended, as set forth in Appendices A and B, to reflect the control of Sun State Transporters, Inc.

The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 11<sup>th</sup> day of JULY, 1972.

William Sturgeon President  
Malcolm  
Sturgeon  
Sturgeon  
Commissioners

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

Key Transport, Incorporated, a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of general commodities between all points and places within the Los Angeles Basin Territory, as described in Appendix B attached hereto.

Applicant shall not transport any shipments of:

- (a) Used household goods and personal effects not packed in accordance with the crated property requirements set forth in Item No. 5 of Minimum Rate Tariff 4-B.
- (b) Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses and bus chassis.
- (c) Livestock, viz.: barrows, boars, bulls, butcher hogs, calves, cattle, cows, dairy cattle, ewes, feeder pigs, gilts, goats, heifers, hogs, kids, lambs, oxen, pigs, rams (bucks), sheep, sheep camp outfits, sows, steers, stags, swine or wethers.
- (d) Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerated equipment.
- (e) Liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.
- (f) Commodities when transported in bulk, in dump trucks or in hopper-type trucks.

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- (g) Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
- (h) Logs.
- (i) Commodities likely to contaminate or damage other freight.
- (j) Articles of extraordinary value.
- (k) Dangerous explosives.
- (l) Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.

RESTRICTION:

"Whenever Key Transport, Incorporated, a corporation, engages other carriers for the transportation of property of Sun State Transporters, Inc. or Metropolitan Stevedoring Company or customers or suppliers of said corporation or company, Key Transport, Incorporated shall not pay such other carriers rates and charges less than the rates and charges published in Key Transport, Incorporated's tariffs on file with the Commission, for the transportation actually performed by such other carriers."

(END OF APPENDIX A)

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## LOS ANGELES BASIN TERRITORY

Los Angeles Basin Territory includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County Boundary Line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway 118, approximately two miles west of Chatsworth; easterly along State Highway 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary of the City of San Fernando to Maclay Avenue; northeasterly along Maclay and its prolongation to the Los Angeles National Forest Boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest Boundary to Mill Creek Road (State Highway 38); westerly along Mill Creek Road to Bryant Street; southerly along Bryant Street to and including the unincorporated community of Yucaipa; westerly along Yucaipa Boulevard to Interstate Highway 10; northwesterly along Interstate Highway 10 to Redlands Boulevard; northwesterly along Redlands Boulevard to Barton Road; westerly along Barton Road to La Cadena Drive; southerly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to State Highway 60; southeasterly along State Highway 60 and U. S. Highway 395 to Nuevo Road; easterly along Nuevo Road via Nuevo and Lakeview to State Highway 79; southerly along State Highway 79 to State Highway 74; thence westerly to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to the Atchison, Topcka & Santa Fe right-of-way southerly along said right-of-way to Washington Road; southerly along Washington Road through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to Winchester Road (State Highway 79) to Jefferson Avenue; southerly along Jefferson Avenue to U. S. Highway 395; southerly along U. S. Highway 395 to the Riverside County-San Diego County Boundary Line; westerly along said boundary line to the Orange County-San Diego County Boundary Line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning, including the point of March Air Force Base.

(END OF APPENDIX B)

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