

Decision No. 82571

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) COASTWAY EXPRESS, INC., a
California corporation, to purchase
from PARKER TRUCK COMPANY, a
California corporation, the certificate
of public convenience and necessity
issued by the Public Utilities
Commission authorizing the transpor-
tation of general commodities, with
specified exceptions, between the
Los Angeles Territory and the
San Diego Territory, pursuant to
Sections 851-853 of the California
Public Utilities Code.

Application No. 54602
(Filed January 23, 1974)
and Amendment
(Filed February 15, 1974)

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

(c) COASTWAY EXPRESS, INC., a
California corporation, to authorize
the issuance of indebtedness, pursuant
to Section 816-830 of the California
Public Utilities Code.

O P I N I O N

Parker Truck Company seeks authority to sell and transfer
its highway common carrier certificate of public convenience and
necessity to Coastway Express, Inc., and the latter seeks authority
to issue 500 shares of its \$10 par value common capital stock to
John C. Russell for \$5,000 cash.

Parker Truck Company is a California corporation operating as a highway common carrier of general commodities over certain highways between the Los Angeles Territory and the San Diego Territory and intermediate points, but restricted against service between any two points both of which lie north of Oceanside. The Commission granted the certificate of public convenience and necessity authorizing such operations by Decision No. 61659, dated March 14, 1961, as amended by Decisions Nos. 67242, dated September 15, 1964 and 75682, dated May 20, 1969. In addition, the company operates as a highway contract carrier and a radial highway common carrier pursuant to permits issued by this Commission, and also operates under the jurisdiction of the Interstate Commerce Commission.

Coastway Express, Inc. is a California corporation incorporated on January 2, 1974. It proposes to issue 500 shares of its \$10 par value common capital stock to John C. Russell for \$5,000 cash to be used for working capital. The corporation proposes to acquire from Parker Truck Company said certificate of public convenience and necessity together with the related Interstate Commerce Commission certificate of registration. The purchase price of \$25,000 would be paid by the proposed stockholder for the benefit of the transferee.

The verified application shows that said John C. Russell is familiar with every facet of running a trucking company, and is well qualified to aid Coastway Express, Inc. in establishing a Los Angeles-San Diego highway common carrier service.

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 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, as amended, should be granted. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the certificate presently held by Parker Truck Company and the issuance of a certificate in appendix form to Coastway Express, Inc. This certificate will be restated, but such restatement will not change or broaden the authority transferred.

Coastway Express, Inc. is 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. 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. The authorization granted shall not be construed as a finding of the value of the rights authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before September 30, 1974, Parker Truck Company may sell and transfer the certificate of public convenience and necessity described in the application to Coastway Express, Inc.
2. On or after the effective date of this order and on or before September 30, 1974, Coastway Express, Inc. may issue and sell to John C. Russell, at par for cash to be used for working capital, not exceeding 500 shares of its common capital stock having a par value of \$10 per share.
3. Coastway Express, Inc. shall file with the Commission the report 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 transfer Coastway Express, Inc. shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.
5. Coastway Express, Inc. shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations transferred to show that it has adopted or established, as its own, the 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 transfer. 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-Series. Failure to comply with the provisions of General Order No. 80-Series may result in a cancellation of the operating authority granted by this decision.

6. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 5, a certificate of public convenience and necessity is granted to Coastway Express, Inc. authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points and over the routes set forth in Appendix A, attached hereto and made a part hereof.

7. The certificate of public convenience and necessity granted by Decision No. 61659, as amended, is revoked effective concurrently with the effective date of the tariff filings required by paragraph 5.

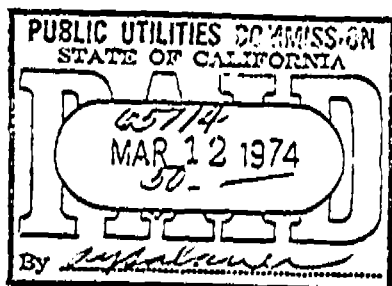
8. Coastway Express, Inc. shall comply with the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.

9. Coastway Express, Inc. 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.

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

11. This order shall become effective when Coastway Express, Inc. 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 12th day of MARCH, 1974.



Vernon L. Sturgeon
President
William J. Synovius, Jr.
[Signature]
[Signature]
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

Coastway Express, Inc., by the certificate of public convenience and necessity granted in 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 the Los Angeles Territory, as described in Note A, and the San Diego Territory, as described in Note B, and intermediate points, via State Highway 1 and Interstate Highway 5, except no local service shall be rendered between any two points, both of which are north of Oceanside.

Except that pursuant to the authority herein granted carrier shall not transport any shipments of:

1. Used household goods, personal effects and office, store and institution furniture, fixtures and equipment not packed in accordance with the crated property requirements set forth in Item 5 of Minimum Rate Tariff 4-B.
2. 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.
3. 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.

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4. Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.
5. Commodities when transported in bulk in dump trucks or in hopper-type trucks.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.
8. Fresh bread, fresh cake, fresh doughnuts and fresh rolls.

NOTE A

LOS ANGELES TERRITORY

The Los Angeles Territory includes that area embraced by the following boundary: Beginning at the intersection of Sunset Boulevard and State Highway 1; thence northeasterly on Sunset Boulevard to Interstate Highway 405; thence northerly along Interstate Highway 405 to State Highway 118 at San Fernando (including the City of San Fernando); thence southeasterly along State Highway 118 to and including the City of Pasadena; thence easterly along Foothill Boulevard from the intersection of Foothill Boulevard and Michilinda Avenue to Valencia Way; northerly on Valencia Way to Hillcrest Boulevard; easterly and northerly along Hillcrest Boulevard to Grand Avenue; easterly and southerly along Grand Avenue to Greystone Avenue; easterly on Greystone Avenue and the prolongation thereof to the west side of Sawpit Wash; southerly on Sawpit Wash to the intersection of Mountain Avenue and Royal Oaks Drive; easterly along Royal Oaks Drive to Buena Vista Street, south on Buena Vista Street and due south on a prolongation thereof to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Beverly Boulevard; southeasterly on Beverly Boulevard to Painter Avenue in the City of Whittier;

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southerly on Painter Avenue to Telegraph Road; westerly on Telegraph Road to the west bank of the San Gabriel River; southerly along the west bank of the San Gabriel River to Imperial Highway (State Highway 90); westerly on Imperial Highway to Lakewood Boulevard (State Highway 19); southerly along Lakewood Boulevard to its intersection with State Highway 1 at Ximeno Street; southerly along Ximeno Street and its prolongation to the Pacific Ocean; westerly and northerly along the shoreline of the Pacific Ocean to a point directly south of the intersection of Sunset Boulevard and State Highway 1; thence northerly along an imaginary line to point of beginning.

NOTE B

SAN DIEGO TERRITORY

The San Diego Territory includes that area embraced by following an imaginary line starting at a point approximately four miles north of La Jolla on the Pacific Coast shoreline running east to Miramar on U.S. Highway 395; thence following an imaginary line running southeasterly to Lakeside on State Highway 67; thence southerly on County Road S 17 (San Diego County) and its prolongation to State Highway 94; easterly on State Highway 94 to Jamul; thence due south following an imaginary line to the California-Mexico Boundary Line; thence westerly along the boundary line to the Pacific Ocean and north along the shoreline to point of beginning.

(END OF APPENDIX A)

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