

ORIGINAL

Decision No. 83266

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) SYSTEM 101, a California corporation, to transfer, and SECURITY TRANSPORT SERVICE AND DISTRIBUTING CORP., a California corporation, to acquire Certificates of Public Convenience and Necessity to operate as a Highway Common Carrier pursuant to Sections 851-853 of the California Public Utilities Code.

Application No. 54607
(Filed January 28, 1974)

(b) SECURITY TRANSPORT SERVICE AND DISTRIBUTING CORP., a California corporation, to authorize the issuance of indebtedness pursuant to Sections 816-830 of the California Public Utilities Code.

O P I N I O N

Applicants seek an order authorizing Security Transport Service and Distributing Corporation (Security), a California corporation, to purchase, and System 101 (System), a California corporation, to sell, System 101's certificate of public convenience and necessity as a highway common carrier, for the sum of \$12,500. ^{1/}

The request to issue securities was in consideration of a transfer of rights which has been denied (Decision No. 82604). The consideration for the rights being transferred by this decision is \$12,500 cash.

^{1/} All authority held by System 101 is reflected in Decision No. 66855 dated February 25, 1964 in Application No. 45315, and in Decision No. 72375 dated May 2, 1967 in Application No. 49225.

System is the owner of a certificate of public convenience and necessity as a highway common carrier for the transportation of general commodities, with certain exceptions, between that portion of the Los Angeles Basin Territory west of California State Highway 39, on the one hand, and the Santa Ynez Valley and Las Cruces, on the other hand. It also has a highway contract carrier permit. In addition System has been issued a certificate of public convenience and necessity by the ICC, which agency has recently authorized it to be transferred to Security. It is a participating carrier in tariffs of the Western Motor Tariff Bureau, Inc., agent, naming rates and rules governing the common carrier operations which are the subject of this transfer. Security will continue the services previously rendered pursuant to the tariffs of System with respect to the motor carrier operating rights sold hereunder and will amend or reissue the tariffs in which System has been participating.

System has agreed to sell, and Security has agreed to buy, subject to the permission of this Commission, the highway common carrier authority, for the sum of \$12,500 cash.

Applicants allege that the proposed transfer will be in the public interest for the reasons that Security is presently engaged as a radial highway common carrier and as a highway contract carrier transporting general commodities within the State of California under permits heretofore issued by the Commission; that Security has experienced growing and continued demands from the shipping public and its shipping customers, and the instant application will give Security the authority to fill the needs and demands of the shipping public and continue the service as was heretofore served by System.

Applicants allege that the officers, directors, and employees of Security are qualified to participate in the management of the corporate activities with respect to motor truck transportation operating for the benefit of the public; that the president and sole director and shareholder, who is also general manager of Security, has been engaged in the transportation business as both an owner and supervisor for over ten years; and that there will be no adverse effect upon the financial condition of the motor carrier business and there will be no change in rates and other charges now assessed to the public.

The application shows that the purchaser has the equipment, finances, and personnel with which to continue the seller's operations.

Findings

1. System 101 should be authorized to sell, and Security Transport Service and Distributing Corporation should be authorized to purchase, the certificate of public convenience and necessity referred to herein for the sum of \$12,500 cash.

2. The transfer of such certificate will not be adverse to the public interest.

3. Security Transport Service and Distributing Corporation has the financial resources, equipment, and experience to enable it to conduct the operations now conducted by System 101.

4. Security Transport Service and Distributing Corporation should be authorized to adopt and place in effect all of System 101's applicable tariffs.

5. We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

6. A public hearing is not necessary.

Conclusion

The application should be granted.

The authorization granted shall not be construed as a finding of the value of the rights authorized to be transferred.

The order which follows will provide for, in the event the transfer is consummated, the cancellation of the certificate of public convenience and necessity held by System 101 (Decisions Nos. 66855 and 72375) and the issuance of a certificate in appendix form to Security Transport Service and Distributing Corporation, which certificate shall not exceed in scope the certificate of System 101. This certificate will be restated, but such restatement will not change or broaden the authority transferred.

Security Transport Service and Distributing Corporation, a California corporation, 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.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1974, System 101 may sell and transfer the operative rights referred to herein to Security Transport Service and Distributing Corporation.

2. Within thirty days after the transfer the purchaser shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

3. Purchaser 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.

4. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, a certificate of public convenience and necessity is granted to Security Transport Service and Distributing Corporation, a corporation, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points set forth in Appendix A, attached hereto and made a part hereof.

5. The certificate of public convenience and necessity granted by Decision No. 66855 and transferred by Decision No. 72375 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

6. Purchaser shall comply with the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.

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

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 6th day of AUGUST, 1974.

Verdon L. S. S. S.
President
William S. S. S.
Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.

Security Transport Service and Distributing Corporation 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 as follows:

- A. Between that portion of the Los Angeles Basin Territory west of State Highway 39, as more particularly described in Note A, on the one hand, and on the other, the Santa Ynez Valley, as described below, and Las Cruces.
- B. For purposes of this authority the Santa Ynez Valley shall be all intermediate points on, and all off-route points within five miles laterally of, the following routes:
 - 1. State Highway 246 between its junctions on the west with U.S. Highway 101 near Buellton and on the east with State Highway 154;
 - 2. State Highway 154 between its junction on the west with U.S. Highway 101 and the San Marcos Pass summit on the east;
 - 3. Unnumbered county road, referred to as Alamo-Pintado Road, between its junctions on the south with State Highway 246 near Solvang and on the north with State Highway 154 at Los Olivos.
- C. In providing the services authorized herein carrier may use any and all public ways, streets, roads and highways necessary or convenient therefor.

Issued by California Public Utilities Commission.

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SECURITY TRANSPORT SERVICE AND
DISTRIBUTING CORPORATION
(a California corporation)

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.
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 motor vehicles equipped for mechanical mixing in transit.
6. Articles of extraordinary value.
7. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
8. Commodities likely to contaminate or damage other freight.
9. Explosives and dangerous articles.

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NOTE A

PORTION OF THE LOS ANGELES BASIN TERRITORY
WEST OF STATE HIGHWAY 39

Beginning at the intersection of Sunset Boulevard and State Highway 1; thence northeasterly on Sunset Boulevard 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 to Maclay Avenue and its prolongation to the Angeles National Forest boundary; southeasterly and easterly along the Angeles National Forest boundary to State Highway 39; southerly along State Highway 39; southerly along State Highway 39 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 the point of beginning.

(END OF APPENDIX A)

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