

Decision No. 85413

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:)

RAM FREIGHTWAYS, INC., a corporation,)
for authority to issue shares of its)
common capital stock)

and)

RAMS EXPRESS, a corporation, to)
transfer, and RAM FREIGHTWAYS, INC.,)
a corporation, to acquire highway)
common carrier operating rights and)
property.)Application No. 56155
(Filed December 24, 1975)O P I N I O N

Rams Express seeks authority to transfer its highway common carrier certificate of public convenience and necessity and certain related assets to Ram Freightways, Inc., and the latter seeks authority to issue 2,450 shares of no par capital stock on the basis of \$100 per share.

Rams Express is a California corporation operating as a highway common carrier in southern California pursuant to authority granted by Decision No. 80677, dated October 31, 1972, in Application No. 53233. In addition, the carrier operates under Interstate Commerce Commission authority and under permits issued by this Commission. For the year 1974, the carrier reported total operating revenues and net income amounting to \$2,188,246 and \$47,943, respectively.

According to a Corporate Separation Agreement, a copy of which is attached to the application as Exhibit C, George R. Strugar and Willard A. Sherman, each holding 50% (90,000 shares) of the outstanding capital stock of Rams Express, have agreed upon a division of the business of the corporation so that the business assets will be equally divided in accordance with a tax free split-off of one-half of the assets to Ram Freightways, Inc.

Ram Freightways, Inc. is a California corporation incorporated on November 20, 1975. It proposes to issue 2,450 shares of its no par capital stock on the basis of \$100 per share to Rams Express in exchange for said certificate of public convenience and necessity and certain assets related thereto. A pro forma balance sheet giving effect to the proposed transaction as of December 1, 1975, is summarized from Exhibit D, attached to the application, as follows:

Assets

Equipment - less reserves for depreciation	\$170,165
Other assets	<u>34,467</u>
Total	<u>\$254,632</u>

Liabilities

Current liabilities	\$ 9,632
Capital stock	<u>245,000</u>
Total	<u>\$254,632</u>

After acquiring the capital stock of Ram Freightways, Inc., Rams Express proposes to exchange such stock for 90,000 shares (50%) of its outstanding capital stock held by Willard A. Sherman, which stock has a par value of \$1 per share, and thereafter to cancel said 90,000 shares.

Upon culmination of the proposed transactions, George R. Strugar would hold all the then outstanding capital stock of Rams Express and Willard A. Sherman would hold all the outstanding capital stock of Ram Freightways, Inc.

Rams Express intends to continue operating as a permitted carrier within the State of California, and also as a common carrier of general commodities pursuant to a certificate of public convenience and necessity previously granted by the Interstate Commerce Commission. It intends to operate under the name and style of Pro Express.

In addition to operating as a highway contract carrier and a radial highway common carrier, Ram Freightways, Inc. would operate as a highway common carrier pursuant to the certificate of public convenience and necessity to be issued in this proceeding.

Rams Express is presently a party to Western Motor Tariff Bureau, Inc., Agent, tariff publications. Ram Freightways, Inc. proposes to adopt the tariffs. Applicants certify that a copy of the application has been forwarded to the California Trucking Association. Notice of the filing of the application appeared in the Commission's Daily Calendar of December 30, 1975. There are no protests to the application.

After consideration the Commission finds that:

1. The proposed transactions would not be adverse to the public interest.
2. The proposed stock would be 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 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 Rams Express and the issuance of a certificate in appendix form to Ram Freightways, Inc.

Ram Freightways, 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 and properties authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. On or before June 30, 1976, Rams Express may sell and transfer the operative rights and property referred to in the application to Ram Freightways, Inc. The transfer may be consummated as of November 30, 1975, for accounting purposes.
2. Ram Freightways, Inc., on or after the effective date hereof and on or before June 30, 1976, may issue not exceeding 2,450 shares of its no par capital stock on the basis of \$100 per share to Rams Express in exchange for assets, subject to current liabilities, substantially in accordance with a Corporate Separation Agreement, a copy of which is attached to the application as Exhibit C.

3. After acquiring not exceeding 2,450 shares of capital stock of Ram Freightways, Inc., Rams Express may exchange such stock for 90,000 shares of its outstanding stock held by Willard A. Sherman, and thereafter may cancel said 90,000 shares.

4. Ram Freightways, 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.

5. Within thirty days after the transfer Ram Freightways, 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.

6. Ram Freightways, 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 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.

7. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 6, a certificate of public convenience and necessity is granted to Ram Freightways, 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 of this decision.

8. The certificate of public convenience and necessity granted by Decision No. 30677 is revoked effective concurrently with the effective date of the tariff filings required by paragraph 6.

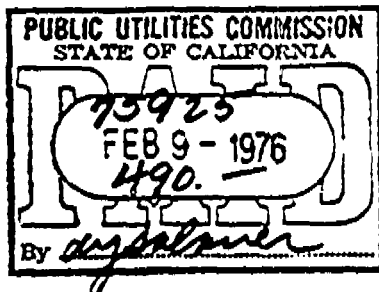
9. Ram Freightways, Inc. shall comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.


10. Ram Freightways, 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 April 30 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.

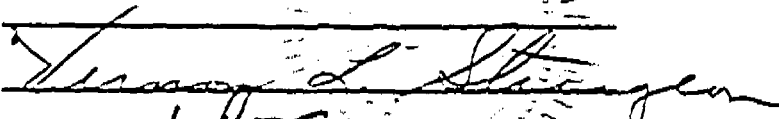
11. Ram Freightways, Inc. shall comply with the requirements of the Commission's General Order No. 34-Series for the transportation of collect on delivery shipments. If Ram Freightways, Inc. elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

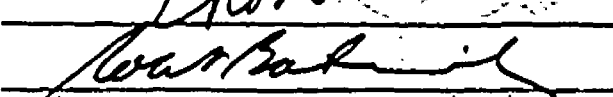
12. The authority granted by this order to issue stock will become effective when Ram Freightways, Inc. has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$490. In other respects the effective date of this order is the date hereof.

Dated at San Francisco, California, this 3rd day
of FEBRUARY, 1976.




President


Commissioners


Commissioners

Ram Freightways, 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.

- I. Between all points and places within the Los Angeles Basin Territory, as described in Note A, and between the Los Angeles Basin Territory, on the one hand, and on the other hand;
 - a. Santa Barbara, via U. S. Highway 101, Interstate Highway 5 and State Highways 1, 23, 118, 126 and 150, serving all intermediate points on or within ten miles laterally of said highways, between the northern boundary of the Los Angeles Basin Territory and Santa Barbara, inclusive.
 - b. The San Diego Territory, as described in Note B, via Interstate Highways 5 and 15, serving all intermediate points on and within ten miles laterally of said highways, between the southern boundary of the Los Angeles Basin Territory and the San Diego Territory, inclusive.
- II. Carrier may establish through routes and rates between any or all points authorized to be served.

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

1. Used household goods, personal effects and office, store and institution furniture, fixtures and equipment not packed in salesmen's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks, lift vans, barrels, boxes, cartons, crates, cases, baskets, pails, kits, tubs, drums, bags (jute, cotton, burlap or gunny) or bundles (completely wrapped in jute, cotton, burlap, gunny, fibreboard, or straw matting).

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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 bulk in dump-type trucks or trailers or in hopper-type trucks or trailers.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Fresh fruits and vegetables, nuts in the shell and mushrooms, from point of growth or from accumulation points to canneries, packing sheds, precooling plants, wineries and cold storage plants.
8. Explosives subject to U. S. Department of Transportation Regulations governing the Transportation of Hazardous Materials.
9. Articles of extraordinary value.
10. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.

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11. Furniture, as described under the heading "Furniture Group" in National Motor Freight Classification A-7, Cal. P.U.C. 1, National Motor Freight Traffic Association, Inc., Agent, on the issue date thereof, and lamp shades or reflectors and lamp standards or electric lamps and shades combined when the furniture or other articles are tendered to the carrier loose (not in packages nor completely wrapped.)
12. Garments on hangers.
13. Hay, fodder and straw in machine pressed bales.
14. Logs.
15. Portland or similar cements, in bulk packages, when loaded substantially to capacity of motor vehicle.

NOTE A

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 Avenue and its prolongation to the 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

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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, Topeka & 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.

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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