

Decision 82 09 051 September 8, 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CAP CONCRETE, INC.,)
a California corporation, for)
authority to control UNIVERSAL)
TRANSPORT SYSTEM, INC., a)
California corporation, and for)
UNIVERSAL TRANSPORT SYSTEM, INC. to)
encumber its public utility property)
pursuant to §§851-854 of the Public)
Utilities Code.)

Application 82-06-57
(Filed June 24, 1982)

O P I N I O N

By this application Cap Concrete, Inc. (CAP), a California corporation, seeks authority to control Universal Transport System, Inc. (Universal), a California corporation, and for Universal to encumber its public utility property under Public Utilities (PU) Code §§ 851-854.

Universal operates under a certificate issued by the California Public Utilities Commission to operate as a cement carrier to and within 48 California counties, by authority granted by Resolution 13825. It also possesses operating authority to operate as a highway common carrier of cement in the San Francisco Territory authorized by Decision (D.) 61295, Application (A.) 42866. It also possesses a permit to operate as a highway contract carrier, and a § 1063.5 highway common carrier certificate in File T-45,200. Universal also possesses interstate operating rights issued to it by the Interstate Commerce Commission under Lead Docket Nos. MC-118487 and MC-120789 authorizing it to transport building, construction,

mining and excavation materials; cement, gypsum, and associated commodities as more particularly defined in those authorities. It also possesses a certificate issued by the Public Service Commission of Nevada authorizing it to transport nonliquid bulk commodities, in dump truck or special equipment, and construction equipment machinery and logs, with certain exceptions. The authority is identified by the Public Service Commission's No. CPCA-943.

Universal is a California corporation incorporated under the laws of the State of California with 3,247 shares of common stock issued and outstanding. The current shareholders of Universal are:

Frank R. Golzen, Trustee	2,918 shares.
Carl E. Stoops and Sybil Stoops	309 shares.
George L. Roberts and Renne G. Roberts	20 shares.

CAP is a California corporation which owns and operates five concrete plants located in the San Francisco Bay Area and operates a fleet of 66 concrete mixer trucks. It possesses permits to operate as a highway contract carrier and agricultural carrier and also a § 1063.5 highway common carrier certificate in File T-89,115. Two affiliated companies of CAP are also engaged in the trucking business in California. CAP's officers are stated to have been involved in the transportation industry in California for years and are familiar with the type of service and requirements necessary in order to conduct the continuance of Universal's service to the public.

Under the terms and conditions of an Agreement for Purchase and Sale of Stock of Universal (Agreement), executed January 15, 1982, CAP seeks to purchase all of the issued and outstanding stock

of Universal, except for 325 shares as specifically described in Article 1.02 of the Agreement. The aggregate purchase price for the purchased shares is \$1,900,000, subject to adjustment. The buyer will pay seller \$100,000 cash and deliver a promissory note in the amount of the balance of the purchase price after all adjustments bearing interest at 15%. The promissory note will be secured by a pledge of the purchased shares of stock.

The shareholders of Universal wish to sell their interest in the corporation because its principal shareholder, Frank R. Golzen, holding 90% of the shares of Universal, has reached retirement age and wishes to retire. The transfer of the shares of stock assures a continued operation of Universal providing uninterrupted service to the public and continued employment of Universal's employees.

CAP considers the acquisition an excellent investment, consisting of the California operating authorities, Nevada authority, and Interstate Commerce Commission operating rights, in addition to equipment, real estate, and personnel. At present no significant operational changes are contemplated and it is not anticipated that there will be any reduction whatsoever in the availability of service to the public if this transaction is approved. To the contrary, CAP believes that the transfer will have virtually no effect on the present operations of Universal.

The application further shows that:

1. As of March 31, 1982 Universal had total assets of \$1,461,280 offset by total liabilities and deferred credits of \$526,527 and stockholder's equity of \$934,753.
2. It is not contemplated that there will be a change in the tariffs of Universal as presently in effect.

3. Universal is not a party to any through or joint rates with other carriers.
4. No competitive motor carrier interests will be affected by this transaction.
5. CAP and Universal believe it can be seen with reasonable certainty that the granting of this application will not result in a significant effect upon the environment, and, for that reason, no environmental data statement is required.
6. The relief sought in this application has no reasonably foreseeable impact upon the energy efficiency of highway carriers.
7. Applicants request an ex parte order effective upon the date of issuance in order to permit the parties to consummate the transaction subject to the Nevada Public Service Commission and this Commission at one time.

A copy of the application has been served on the California Trucking Association. Notice of the filing appeared on the Commission's Daily Calendar of June 28, 1982. No protests have been received. In view of the buy and sell activity engaged in by CAP, a standard shipper-carrier alter ego restriction will be added to Universal's cement certificates as set forth in the following order.

Findings of Fact

1. A public hearing is not necessary.
2. The proposed change of control is not adverse to the public interest.
3. The following order has no reasonably foreseeable impact upon the energy efficiency of highway carriers.

Conclusions of Law

1. The proposed change of control should be authorized.
2. The request for relief from the provisions of the Commission's Rules of Practice and Procedure should be granted.
3. The action taken shall not be construed as a finding of value of the capital stock acquired.
4. The following order should be effective the date of signature so that applicant can complete the transfer at approximately the same time the Nevada Public Service Commission is expected to act on its request.

ORDER

IT IS ORDERED that:

1. Cap Concrete, Inc., a California corporation, is authorized to acquire control of Universal Transport System, Inc., a California corporation.

2. Appendix A of D.61295, and Sub 53 of Resolution 13825 dated June 24, 1964, are amended to include the following restriction against both certificates.

"Restriction:"

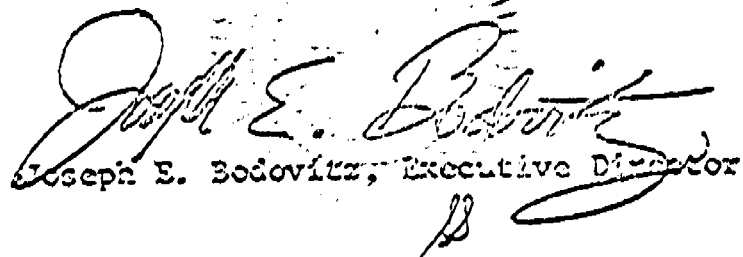
"Whenever Universal Transport Systems, Inc. engages other carriers for the transportation of property of CAP Concrete, Inc. or its subsidiaries or affiliates, or customers or suppliers of that corporation, subsidiaries or affiliates, Universal Transport System, Inc. shall not pay such other carriers less than 100% of the rates and charges published in Universal Transport System, Inc.'s tariffs on file with the Commission for the transportation actually performed by such other carrier."

This order is effective today.

Dated September 8, 1982 at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director

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O P I N I O N

Indent
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Dated SEP 8 1982, at San Francisco, California.

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