

Decision 84 01 012

ORIGINAL

JAN 5 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
C. N. Bates Drayage, Inc., a)
California corporation, to)
gratuitously transfer to United)
Drayage Company, a California)
corporation, its certificate of public)
convenience and necessity authorizing)
operations as a highway common carrier)
for transportation of general)
commodities between points and over)
various routes in the general)
San Francisco Bay Area.)

Application 83-09-61
(Filed September 21, 1983)

O P I N I O N

Applicants C. N. Bates Drayage, Inc. (Bates) and United Drayage Company (United), California corporations, request authority to transfer Bates' highway common carrier certificate to United. Notice of the filing of the application was published in the Commission's Daily Transportation Calendar of September 27, 1983. No protests to the application have been received.

Bates is a wholly owned subsidiary of United. Approval of such control was given in Decision (D.) 85222, dated December 9, 1975. Bates' highway common carrier certificate, issued by D.82524, dated March 5, 1974, authorizes it to transport general commodities, with exceptions, between points and places in the San Francisco Bay Area. The certificate is registered with the Interstate Commerce Commission (ICC). This registration authorizes Bates to engage in

interstate and foreign commerce commensurate with the scope of its California certificate.' The same person is president of both Bates and United. Bates also holds a highway contract carrier permit under File T-94763.

United holds a highway contract carrier permit from this Commission (File T-83378) as well as a certificate of public convenience and necessity issued by the ICC authorizing the transportation of general commodities, with exceptions, from points in Los Angeles County to the Los Angeles Harbor Commercial Zone. For the calendar year 1982 United had gross revenue from transportation services of \$1,429,626, 67% of which was derived from providing services for Honolulu Freight Service, an ICC freight forwarder, which is an affiliate of United. As of December 31, 1982 United had a net worth of approximately \$434,000.

The proposed transaction will not involve the transfer of any of Bates' assets or equipment and will not involve the payment of any compensation by United to Bates for the certificate or permits.

United states that it desires to consolidate its business to include the operations of Bates and to wind down Bates' affairs and terminate Bates' existence. In so doing, United contends there will be no change in the competitive relationship among carriers because United will simply continue Bates' operations under United's name with no change in management or ownership. United avers that there will be no change in Bates' rates and other charges when the certificate is transferred. United contends it has sufficient working capital and assets to take over Bates' operations.

Findings of Facts

1. Bates and United request authority to transfer Bates' highway common carrier certificate to United.

2. The subject certificate authorizes the transportation of general commodities, with exceptions, between points and places in the San Francisco Bay Area.

3. The subject certificate is registered with the ICC.

4. United holds a highway contract carrier permit as well as a certificate from the ICC authorizing transportation from points in Los Angeles County to the Los Angeles Harbor Commercial Zone.

5. United is affiliated with Honolulu Freight Service from which it derives a substantial amount of operating revenue.

6. As of December 31, 1982 United had a net worth of approximately \$434,000.

7. Bates is a wholly owned subsidiary of United.

8. The requested transfer will not involve the payment of any money from United to Bates for the certificate.

9. The proposed transaction does not involve the transfer of any assets or equipment.

10. United desires to wind down Bates' affairs and terminate Bates' existence.

11. Consummation of the proposed transaction will not result in a change in the competitive relationship among carriers.

12. United will take over Bates' operations at the completion of the transaction.

13. United will adopt Bates' present rates.

14. United is financially fit to continue Bates' operations.

15. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

16. A public hearing is not necessary.

Conclusions of Law

1. The proposed transfer is in the public interest and should be authorized.

2. The new certificate will not broaden or change the interstate or foreign commerce rights now held by Bates.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. C. N. Bates Drayage, Inc., a California corporation, may transfer the operative rights specified in the application to United Drayage Company, a California corporation. This authority shall expire if not exercised by June 1, 1984, or within such additional time as the Commission may authorize.

2. Purchaser shall:

- a. File with the Transportation Division written acceptance of the certificate and a copy of the bill of sale or other transfer document within 30 days after transfer.
- b. Amend or reissue seller's tariffs. The tariffs shall not be effective before the date of transfer, nor before 5 days' notice is given to the Commission.
- c. Comply with General Orders Series 80, 100, 123, and 147, and the California Highway Patrol safety rules.
- d. File an annual report of seller's operations for the period from the first day of the current year to the date of transfer.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.

- f. Comply with General Order Series 102 and 130. If applicant elects to engage subhaulers, applicant shall have the required bond on file, and applicant shall engage only highway carriers who hold appropriate operating authority granted by this Commission.

3. If the transfer is completed, on the effective date of the tariffs a certificate of public convenience and necessity is granted to United Drayage Company, a California corporation, authorizing it to operate as a highway common carrier, as defined in PU Code § 213, between the points listed in Appendix A.

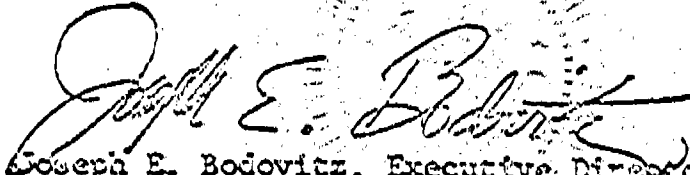
4. The certificate of public convenience and necessity granted by D.82524 is revoked on the effective date of the tariffs.

This order becomes effective 30 days from today.

Dated JAN 5 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovitz, Executive Director

United Drayage Company, 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, as follows:

- A. From, to and between all points and places located in the following areas and along the following routes:
1. U.S. Highway 101 between San Rafael and San Jose, inclusive, and points within 10 miles of said route;
 2. State Highway 17 between San Rafael and Los Gatos, inclusive, and points within 5 miles of said route;
 3. Interstate Highway 80 between San Francisco and Crockett, inclusive, and points within 10 miles of said route;
 4. State Highway 4 between Pinole and junction with Interstate Highway 680, inclusive, and points within 5 miles of said route;
 5. State Highway 24 between Oakland and junction with State Highway 4, inclusive.

RESTRICTION: (1) No shipments shall be transported to, from or between points in Solano County, California.

- B. In performing the service herein authorized, carrier may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

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.

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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 trucks or in hopper-type trucks.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Logs.
8. Articles of extraordinary value.
9. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.

(END OF APPENDIX A)

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