

ORIGINAL

Decision No. 92673 FEB 4 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
T. G. VANCE and MARIANNE VANCE dba)	
T-CAT to transfer Common Carrier)	Application No. 59952
Certificate No. Cal T-113407 (GC-4770))	(Filed September 23, 1980)
to their wholly-owned corporation,)	
T-CAT, INC., a California corporation.)	

O P I N I O N

This is an application by T. G. Vance and Marianne Vance, doing business as T-Cat, to transfer their certificate of public convenience and necessity to T-Cat, Inc., a newly formed corporation which is wholly owned by the Vances. T. G. Vance is its president. Marianne Vance is its secretary.

The Vances hold certificate GC-4770 in File No. T-113407 which was issued pursuant to Section 1063.5 of the Public Utilities Code and authorized the transportation of general commodities within the State.

Section 1063.5 authorizes holders of radial highway common carrier permits to convert their permits to highway common carrier certificates of public convenience and necessity. By Decision No. 89575 dated October 31, 1978, as amended, the Commission found that during the first five-year period after the Section 1063.5 certificates become operational, the carriers may expand or contract operations conducted pursuant thereto by making appropriate tariff filings. This procedure preserves the opportunity, formerly available to holders of radial permits, for carriers to develop and shape their operations based upon managerial objectives. Section 1064.5

of the Public Utilities Code prohibits the transfer of Section 1063.5 certificates during the first five years after issuance except to the extent of operation actually conducted as a prime carrier. By Resolution No. 18049, dated July 31, 1979 this Commission recognized that in the normal course of events many businesses experience transformations of their legal form while maintaining a continuation of the same business concern. As a result, certain types of transfers of Section 1063.5 highway common carrier certificates were held not to be transfers within the meaning of Section 1064.5, including a change in the form or makeup of the business entity such as incorporation when the vested interests remain the same. Because the instant application falls within this category, the transfer will be authorized without need for compliance with all of the usual service regulations relating to transfers.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. The proposed transfer would not be adverse to the public interest.
3. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusion of Law

The application should be granted.

T-Cat, 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.

O R D E R

IT IS ORDERED that:

1. On or before July 1, 1981 T. G. Vance and Marianne Vance, doing business as T-Cat, may transfer to T-Cat, Inc. the operating authority issued pursuant to Section 1063.5 of the Public Utilities Code and as set forth in Application No. GC-4770.

2. Within thirty days after the transfer T-Cat, Inc. shall file with the Commission written acceptance of the certificate and a true copy of the instrument of transfer.

3. T-Cat, 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 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 hereof, a certificate of public convenience and necessity is transferred to T-Cat, Inc.

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

Dated FEB 4 1981, at San Francisco, California.

John E. Boyra
President
Philip D. Huppelle
James M. Smith
Commissioners