

Decision No. 22645.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of  
MRS. E. C. JENSEN  
to sell, and Hunt-Hatch Transportation  
Company, a corporation, to purchase,  
an operative right for the transporta-  
tion of property for compensation be-  
tween points on San Francisco Bay,  
Sacramento River, San Joaquin River and  
tributaries.

Application No. 16581

Athearn, Chandler & Farmer and  
Frank R. Devlin, by Frank R. Devlin,  
for applicants.

W. F. Williamson, Wallace & Vaughan,  
by Reginald L. Vaughan, for Bay Cities  
Transportation Company and Erickson  
Navigation Company, interested parties.

BY THE COMMISSION:

O P I N I O N

In this application the Railroad Commission is asked to make its order authorizing Mrs. E. C. Jensen to sell and transfer an operative right for the transportation of property by vessels upon the inland waters of the state, to Hunt-Hatch Transportation Company.

The record indicates that Mrs. Jensen, prior to August 17, 1923, the effective date of Section 50-d of the Public Utilities Act, and subsequent thereto, was engaged in the business of transporting property by vessel. Her "Local Freight Tariff No. 3," issued September 1, 1924, effective October 1, 1924, names rates, rules and regulations for the transportation of freight on San Francisco Bay, Sacramento River, San Joaquin River and tributaries, and her "Demurrage Tariff No. 1", with the same dates, names rates, rules and

regulations for the detention of vessels.

It appears from the testimony of Mrs. Jensen that her operations during the last few years have been conducted by means of a single vessel, the gasoline schooner "Fidelity", the principal business being the transportation of commodities for the Consolidated Motor Freight Lines, Inc. An agreement with that company terminated during August, 1929, and thereafter no goods were offered to her for shipment. Subsequently on January 17, 1930, Mrs. Jensen sold the vessel.

Mrs. Jensen's testimony shows that at the time of sale of the boat, it was in need of re-conditioning, which would involve an expense of from \$1,500.00 to \$2,000.00. It appears that she felt it would be more to her advantage to dispose of the vessel and later to acquire a newer one, rather than to repair the "Fidelity". It now seems, however, that Mrs. Jensen has decided to retire from the business and to that end has made arrangements to sell her operative right, for \$500.00, to Hunt-Hatch Transportation Company.

Hunt-Hatch Transportation Company is engaged also in operating vessels for the transportation of freight, its "Local Freight Tariff No. 8" naming rates for the transportation of merchandise between San Francisco, Oakland, Alameda (Encinal Terminal) and landings on the Sacramento River, San Joaquin River, Old and Middle Rivers, Mokelumne River and tributaries. It is our belief that the acquisition by Hunt-Hatch Transportation Company of the operative right of Mrs. Jensen, permitting service to different points, is not contrary to public interest and should be approved, the record on this point showing that the purchaser is financially able to provide adequate and sufficient boats and other equipment for conducting business under such right.

The operative right here in question was acquired by Mrs. Jensen by tariff filing, prior to the time the Public Utilities Act was amended by the adoption of Section 50(d) so as to require carriers by water to obtain certificates of public convenience and necessity before commencing operations. It therefore seems to us that no cost was incurred by the original holder in obtaining such right and we do not believe that the price now being paid by the purchaser is reasonably chargeable to property and equipment accounts.

The suggestion was made during the course of the hearing that Mrs. Jensen had abandoned her operative right and therefore she had nothing to transfer. She never cancelled her rates on file with the Commission, and testified that if any commodities had been offered for transportation, she would have provided herself with the facilities to transport the same. In granting this application, we are not passing on the validity of Mrs. Jensen's operative right. That can be questioned after the transfer in the same manner as though no transfer of the same had taken place. Neither are we passing on the validity of the transfer of her boat.

#### ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of an operating right, a public hearing having been held before Examiner Fankhauser, and the Railroad Commission being of the opinion that the application should be granted as herein provided,

IT IS HEREBY ORDERED that Mrs. E. C. Jensen be, and she hereby is, authorized to sell and transfer her operative right, referred to in the foregoing opinion, to Hunt-Hatch Transportation Company for the sum of \$500.00, and Hunt-Hatch Transportation Company

be, and it hereby is, authorized to purchase and acquire such operative right and to operate vessels in accordance with such right, provided that in recording the transaction on its books of account, the purchase price be charged to profit and loss or surplus account.

The authority herein granted is subject to the following conditions:-

(1) Mrs. E. C. Jensen and Hunt-Hatch Transportation Company shall join in common supplement to the tariffs on file with the Railroad Commission in the name of Mrs. E. C. Jensen, the former on the one hand withdrawing and the latter on the other hand accepting and establishing as its own such tariffs and all effective supplements thereto.

(2) The authority herein granted will become effective from and after twenty days from the date hereof.

DATED at San Francisco, California, this 4<sup>th</sup> day of July, 1930.

Edward C. ...  
Leon ...  
Thomas ...

Commissioners.