

Decision No. 20082

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
UNION TRANSFER & STORAGE CO.,)	
of Los Angeles, for permission to)	
issue and sell its securities, and)	Application No. 20082
to transfer franchise.)	

E. H. Whitcombe, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

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RAILROAD COMMISSION

This is an application for an order authorizing the transfer of an auto truck certificate of public convenience and necessity to Union Transfer & Storage Company of Los Angeles and the issue by Union Transfer & Storage Company of Los Angeles of 75 shares of stock without par value.

It appears that the certificate of public convenience and necessity referred to in this proceeding was granted by the Commission by Decision No. 8969, dated May 12, 1921, and permits the operation of an auto truck service for the transportation of freight, express and baggage between Los Angeles, Culver City, Palms, Venice, Ocean Park, Santa Monica and intermediate points. Heretofore it has been in the possession of Joseph L. Zerboni, doing business under the firm name and style of Union Transfer & Storage Company.

The application shows that at a sheriff's sale held on May 20, 1935, the certificate of public convenience and necessity and certain personal properties of Joseph L. Zerboni were sold for \$6,002.00 to William H. Cooper, and that said William H. Cooper now desires to transfer title to such properties to Union Transfer &

Storage Company of Los Angeles, a recently organized corporation, in exchange for 75 shares of no-par stock.

A schedule of the properties to be acquired by the corporation, in addition to the certificate of public convenience and necessity, was filed with the Commission on August 14, 1935. The schedule shows in detail eleven trucks, cars and trailers, reported to have cost \$22,650.00 and to have an appraised value of \$5,100.00, and miscellaneous equipment and tools, office equipment and supplies and merchandise on hand. The total cost of all the personal properties is stated at \$31,061.42 and the appraised value at \$13,511.42, with unpaid balances due of \$200.50.

The Commission has considered the application and is of the opinion that it is a matter in which a public hearing is not necessary. In making the order herein, the Commission wishes to place Union Transfer & Storage Company of Los Angeles upon notice that certificates of public convenience and necessity do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state, which is not in any respect limited in the number of rights which may be given.

It appears to the Commission that the money, property or labor to be procured or paid for through the issue of the 75 shares of stock is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED that William H. Cooper be, and he hereby is, authorized to transfer to Union Transfer & Storage Company of Los Angeles the certificate of public convenience and necessity and the personal property referred to herein and in this application, and Union Transfer & Storage Company of Los Angeles be, and it hereby is, authorized to issue on or before December 31, 1935, in payment therefor, not exceeding 75 shares of its no par value stock.

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

1. Union Transfer & Storage Company of Los Angeles, a corporation, applicant herein, shall file in triplicate, statements adopting and establishing as its own the tariffs and all effective supplements thereto, now on file by Joseph L. Zerboni, doing business under the firm name and style of Union Transfer & Storage Company.
2. Union Transfer & Storage Company of Los Angeles shall file, in duplicate, time schedules covering its service under the certificate herein authorized to be transferred to it, such time schedules to be identical with those heretofore filed by Joseph L. Zerboni or time schedules satisfactory to the Commission.
3. The rights and privileges herein authorized to be transferred may not hereafter be sold, transferred, leased nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission has first been secured.
4. No vehicle may be operated by Union Transfer & Storage Company of Los Angeles under the authority herein granted, unless such vehicle is owned by it or is leased by it under a contract or agreement on a basis satisfactory to the Commission.

5. Applicant shall keep such record of the issue of the stock herein authorized as will enable it to file, with ⁱⁿ thirty (30) days thereafter, a verified report such as is required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.
6. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 19th day of August, 1935.

Leon Whiskey

W. A. Cunn

M. J. ...

Frank R. ...

Commissioners.