

Decision No. 31279

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
William I. Heffron, as Trustee in )  
Bankruptcy of Puckett Freight Lines, )  
Ltd., to sell, and J. E. Van Marter )  
and J. R. Zimmerman, co-partners, )  
doing business under the name and )  
style of Mayflower Warehouses, to )  
purchase, Auto Truck Operative Rights )  
for the transportation of freight )  
between Los Angeles Harbor and Los )  
Angeles, and various points in )  
California. )

**ORIGINAL**

Application No. 22227

BY THE COMMISSION:

O P I N I O N

William I. Heffron, as Trustee in Bankruptcy of Puckett Freight Lines, Ltd., a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by him to J. E. Van Marter and J. R. Zimmerman, co-partners, doing business as Mayflower Warehouses, of operating rights for the automotive transportation as a highway common carrier of property between Los Angeles, Los Angeles Harbor and other points in Southern California; and J. A. Van Marter and J. R. Zimmerman, as co-partners, have petitioned for authority to purchase and acquire said operating rights and to hereafter operate thereunder, the sale and transfer to be in accordance with the terms of a decree of the United States District Court hereinafter more definitely referred to.

On July 30, 1938, said Puckett Freight Lines, Ltd. was adjudicated a bankrupt by the United States District Court, Southern District of California, Central Division, in Bankruptcy Proceeding No. 29608-J, and applicant William I. Heffron was duly and regularly appointed as trustee of the estate of said bankrupt corporation.

Since his appointment as such Trustee, applicant, William I. Heffron, has continued the operation of service under and pursuant to said certificates of public convenience and necessity.

Whereafter, to-wit: on September 12, 1938, by proceedings duly and regularly had in Bankruptcy Proceeding No. 29608-J in the United States District Court, Southern District of California, Central Division, administering the affairs of said bankrupt corporation, applicant, William I. Heffron, as trustee sold to applicants, J. H. Van Marter and J. R. Zimmerman, co-partners, doing business under the name and style of Mayflower Warehouses, all certificates of public convenience and necessity and operating rights owned and held by Puckett Freight Lines, Ltd. authorizing the transportation of property by motor truck, both intra-state commerce and inter-state and foreign commerce. Said sale was made for the sum of \$2,550, subject to the approval, to the extent necessary, of the California Railroad Commission and the Interstate Commerce Commission. A certified copy of the order of the Court confirming said sale, marked Exhibit "A", is attached to the application herein and made a part thereof.

No equipment is involved in this transfer. The operating rights herein proposed to be transferred were created by Decisions Nos. 23349, 23531, 23920 and 24570.

This is not a matter requiring a public hearing and the application will be granted.

J. H. Van Marter and J. R. Zimmerman are hereby placed upon notice that "operative rights" 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 to the number of rights which may be given.

O R D E R

IT IS HEREBY ORDERED that the above entitled application be, and the same is hereby granted, subject to the following conditions:

1. The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission, or any other rate fixing body, as a measure of value of said property for rate fixing, or for any purpose other than the transfer herein authorized.
2. Applicant Heffron, as Trustee in Bankruptcy, shall within twenty (20) days after the effective date of the order herein unite with applicants Van Marter and Zimmerman in common supplement to the tariffs on file with the Commission, covering service given under the certificate herein authorized to be transferred, applicant Heffron withdrawing and applicants Van Marter and Zimmerman accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Heffron shall within twenty (20) days after the effective date of the order herein withdraw all time schedules filed by Puckett Freight Lines, Ltd. with the Railroad Commission and applicants Van Marter and Zimmerman shall within twenty (20) days after the effective date of the order herein file, in duplicate, in their own names time schedules covering service heretofore given by Puckett Freight Lines, Ltd. which time schedules shall be identical with the time schedules now on file with the Railroad Commission, in the name of Puckett Freight Lines, Ltd. or time schedules satisfactory to the Railroad Commission.
4. The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been obtained.

5. No vehicle may be operated by applicants Van Marter and Zimmerman unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

6. The authority herein granted shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

7. Applicants shall, prior to the commencement of service authorized herein and continuously thereafter, comply with all of the provisions of this Commission's General Order No. 91.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of September, 1938.

Raymond W. ...  
Leon ...  
James R. ...  
Ray L. Kelley  
COMMISSIONERS