

Decision No. 37843

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VELMA HELENE TUCKER and B. H. TUCKER)
to sell and WILLIAM F. McVEIGH and)
DUARD W. HULETT to purchase auto truck)
freight line operated between Corona)
and Los Angeles Harbor district; and)
between Corona and Los Angeles.)

ORIGINAL

Application No: 26365

BY THE COMMISSION:

O P I N I O N

Velma Helene Tucker and B. H. Tucker request authority to sell to William F. McVeigh and Duard W. Hulett their operative rights created by Decisions Nos. 14112, 14174 and 16540; and also to sell certain automotive equipment. The purchasers seek authority to acquire said rights and equipment.

The operative rights herein proposed to be transferred authorize the transportation of limited commodities in general between Los Angeles and Corona and between Los Angeles Harbor and Corona as more specifically set forth in Decision No. 14112; as amended by Decision No. 14174; in Application No. 9606; and Decision No. 16540 in Application No. 12289.

Said operative rights were acquired by Velma Helene Tucker and B. H. Tucker pursuant to transfers authorized in Decisions Nos. 32753 and 37153.

The sellers, doing business as "Pioneer Transfer", until recently also operated as radial highway common carrier and city carrier. On their combined operations revenues and expenses

for the years 1940 to 1943, inclusive, were as follows:

	<u>1940</u>	<u>1941</u>	<u>1942</u>	<u>1943</u>
Operating Revenue	\$9,439.38	\$10,259.83	\$15,422.36	\$19,222.74
Operating Expense	<u>8,951.64</u>	<u>9,283.40</u>	<u>12,143.70</u>	<u>16,495.39</u>
Net Income	\$ 487.74	\$ 976.43	\$ 3,278.66	\$ 2,727.35

Applicants state that "the volume of business done on our certificated operations, for 1942, 1943, and 1944 did not exceed \$500 per year." The reason given for the negligible amount of business resulting from certificated operations is the restricted character of the traffic through Los Angeles Harbor, due to the war.

The equipment proposed to be sold consists of four trucks, one tractor, two trailers, one van body, and office equipment valued by the owners at \$14,000. The purchase price of said equipment and operative rights is \$14,000. Said purchase price represents the value of the equipment only as no value was placed on the operative rights. The terms are cash upon delivery of a bill of sale and authorized transfer of the operative rights.

The sellers desire to quit the trucking business, and the buyers propose to continue to operate the certificated service together with a radial highway common carrier and city carrier service, as previously conducted. The latter appear able and are willing to continue to offer said certificated service to the public pending termination of hostilities, as and when needed. The transferees have considerable trucking experience and propose to operate as a copartnership under the name of "Pioneer Transfer".

The financial condition of said partnership as of December 31, 1944, was as follows:

Assets:

Cash	\$ 1,957.82	
Motor & Shop Equipment	10,500.00	
Materials & Supplies	250.00	
Other Assets	4,378.59	\$17,086.41

Liabilities:

Notes Payable	\$ 5,334.00	
Depreciation Reserve	833.50	
Other Liabilities	112.00	
Net Worth	10,806.91	\$17,086.41

After full consideration of this matter the Commission is of the opinion that a public hearing is not necessary and that the application should be granted.

The action taken herein shall not be construed to be a finding of value for any purpose.

William F. McVeigh and Duard W. Fulett are hereby placed upon 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, 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.

ORDER

IT IS HEREBY ORDERED that Velma Helene Tucker and B. H. Tucker be and they are hereby authorized to transfer to

William F. McVeigh and Duard W. Hulett, a copartnership, the operative rights acquired under authority of Decisions Nos. 32753 and 37153, and also the automotive and office equipment referred to in the foregoing opinion, and that William F. McVeigh and Duard W. Hulett, a copartnership, be and they are hereby authorized to purchase and acquire said rights and equipment and thereafter operate thereunder, subject to the following conditions:

- (1) That within thirty (30) days after the transfer of the properties authorized herein, said copartnership shall file with this Commission a copy of the Bill of Sale executed under the authority herein granted.
- (2) Applicants shall comply with the provisions of General Order No. 80 and Part IV of General Order No. 93-A by filing, in triplicate, and concurrently making effective, appropriate tariffs and time schedules within sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and the public.
- (3) That the authorization herein granted shall lapse and become void if not exercised within one (1) year from the date hereof unless further time is granted by subsequent order.

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

Dated at San Francisco, California, this 1st day of May, 1945.

Donald Rudman
Justin J. Calver
Richard L. Lohse
Francis W. ...
Just ...

COMMISSIONERS