

Decision No. 37987

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
 C. J. LAMB, doing business as LAMB)
 TRANSPORTATION CO., to sell and C. J.)
 LAMB, LORA LAMB and COLIN J. BOONE)
 doing business as Lamb Transportation) Application No. 26701
 Co., to purchase the automobile)
 freight line operated between Long)
 Beach, Los Angeles, Wilmington and)
 San Pedro, California.)

BY THE COMMISSION:

O P I N I O N

In the above entitled application the Commission is requested to authorize C. J. Lamb, doing business as Lamb Transportation Co., to sell, and C. J. Lamb, Lora Lamb and Colin J. Boone, doing business as Lamb Transportation Co., to acquire certain physical property and highway common carrier operative rights. The operative right involved was created by Decision No. 17756, dated December 13, 1926, in Application No. 12254, and authorized the transportation of limited commodities between Los Angeles, Long Beach and Wilmington, as more particularly defined in such decision. The Commission by Decision No. 36118, dated January 26, 1943, authorized C. J. Lamb to acquire sole ownership of the operative right referred to. On January 26, 1943 (Decision No. 36119) C. J. Lamb was authorized to suspend this operation until July 1, 1944, a continuance of such suspension being authorized to July 1, 1946, by Decision No. 37168, dated July 5, 1944.

Lamb Transportation Co. conducts transportation service under radial highway common carrier, highway contract carrier and

city carrier permits. For 1944 it reports operating revenues of \$327,035.37. Its physical properties consist of Lots 18 to 24 inclusive and Lots 27 to 32 inclusive of Tract 165, city of Long Beach, Los Angeles County, as per map recorded in Book 13, page 109, of Maps in the office of the County Recorder of Los Angeles County. It owns approximately 65 units of automotive equipment consisting of trucks, tractors, trailers, semi-trailers and automobiles, and also owns machinery, tools and supplies. The original cost of its land is reported at \$25,137.34, of its buildings and structures at \$49,734.17, and its automotive equipment at \$198,027.84. The depreciated cost of its automotive equipment is reported at \$73,009.23, and of its buildings and structures at \$29,243.10. No value is assigned to the operative right.

C. J. Lamb proposes to transfer to Lora Lamb, his wife, as a gift a 45 per cent interest in the operative right, equipment, terminal properties and trucking business, and to transfer to Colin J. Boone, his assistant manager, a 10 per cent interest in said operative right, equipment, terminal properties and trucking business for a cash consideration of \$17,541.71. Colin J. Boone will continue in the employ of the partnership as assistant manager. The Articles of Partnership provide that Colin J. Boone may withdraw from the partnership a minimum of \$5,200 annually, regardless of the profits of the partnership.

In our opinion the authority requested should be granted and such will be the order. A public hearing is not necessary.

The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

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In our opinion the authority requested should be granted and such will be the order. A public hearing is not necessary.

The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

C. J. Lamb, Lora Lamb and Colin J. Boone 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.

O R D E R

Good cause appearing,

IT IS ORDERED as follows:

(1) That C. J. Lamb is hereby authorized to sell and transfer on or before September 1, 1945, the highway common carrier operative right acquired by him pursuant to the authority of the Commission in Decision No. 36118, in Application No. 25260, and the property referred to in the contract of sale on file in this application to C. J. Lamb, Lora Lamb, his wife, and Colin J. Boone who are hereby authorized to acquire the foregoing described operative right and property and hereafter to operate under said operative right.

(2) That C. J. Lamb, Lora Lamb and Colin J. Boone shall comply with the rules of the Commission's 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 tables within 60 days from the effective date hereof and on not less than 5 days' notice to the Commission and the public,

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

Dated at San Francisco, California, this 19th day of June, 1945.

David Cudman
Justus F. Cressen
Richard H. Hays
Frank W. Cearn
Isaac H. Kameel
COMMISSIONERS