

Decision No. 39974

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GUY JAMESON to sell and FRANCIS)
LAZIA to purchase an automotive)
freight line operated between)
Petaluma, Tomales and Fallon, Cali-)
fornia.)

Application No. 28166

O P I N I O N

ORIGINAL

By the above entitled application the Commission is requested to authorize Guy Jameson to sell and Francis Lazia to purchase a highway common carrier operative right and equipment used in the conduct of such operation between Petaluma, Tomales, Fallon and Valley Ford. The operative right proposed to be transferred was created by the Commission's Decision No. 26189 in Application No. 18926. The total consideration to be paid for the operative right and property is stated to be \$7,500, of which \$3,500 is said to represent the value of the equipment and \$4,000 the value of the operative right. The proposed transfer is to be made pursuant to the terms of an agreement of sale attached to the application as Exhibit "A". According to the terms of this agreement, \$4,000 of the purchase price was payable upon the execution of the agreement and the remainder is to be evidenced by a promissory note secured by a mortgage of chattels on a 1939 Mack truck. The promissory note is payable in semi-annual installments in the amount of \$875 with interest at the rate of 5 per cent per annum.

Applicants assert that the service is now and has been in continuous operation and that no change in rates is contemplated.

After full consideration we do not believe a public hearing is necessary in this matter and the authority requested should be granted.

Francis Lazia is 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

An application therefor having been filed and good cause appearing,

IT IS ORDERED as follows:

(1) That Guy Jameson may after the effective date hereof and on or before April 15, 1947, sell and transfer to Francis Lazia and the latter may purchase and acquire the property and operative right referred to in the foregoing opinion and thereafter operate thereunder.

(2) That Francis Lazia may execute a mortgage of chattels and issue a promissory note in the principal amount of \$3,500, in, or substantially in, the same form as the mortgage of chattels and

note filed in this proceeding, for the purpose of paying in part for the property and rights herein authorized to be transferred, it being the opinion of the Commission that the money, property or labor to be procured or paid for through the issue of said note is reasonably required by said applicant for the purpose stated herein.

(3) That Francis Lazia shall file with the Commission within 30 days after acquiring property and rights herein authorized to be transferred, a report as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

(4) That 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 tables within 60 days from the effective date hereof and on not less than one day's notice to the Commission and the public.

(5) That the authority herein granted will become effective when Francis Lazia has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.

Dated at San Francisco, California, this 15th day of February, 1947.

Harold P. Kule

Justin Z. Casner

Irving H. Powell

R. J. Dunning

W. D. [Signature]

COMMISSIONERS

