

Decision No. 40159

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 BESSIE IOLA BAKER, J. M. BRIDGES and)
 MARGARET BRIDGES, co-partners, doing)
 business as BAKER'S TRANSFER &)
 STORAGE, to sell and GEORGE W. MARTIN,)
 WALTER GIDEON, RAY TAYLOR, AND C. I.)
 BROTHERS, co-partners, to purchase)
 operating rights and properties of a)
 highway common carrier service operated)
 between Bakersfield, San Francisco,)
 Oakland and Los Angeles, California.)

ORIGINAL

Application No. 28244

OPINION AND ORDER

This application shows that Bessie Iola Baker, J. M. Bridges and Margaret Bridges, doing business as Baker's Transfer & Storage, hold an operative right, as a highway common carrier, for the transportation of household goods between Bakersfield, San Francisco, Oakland and Los Angeles, acquired by them pursuant to authority granted by Decision No. 32655, dated December 19, 1939, in Application No. 23119, and that they now propose to transfer such right, together with operative rights granted by the Interstate Commerce Commission, four units of automotive equipment, office furniture and supplies, warehouse equipment and certain accounts receivable, to George W. Martin, Walter Gideon, Ray Taylor and C. I. Brothers.

The total consideration to be paid for the properties to be transferred is the sum of \$55,000, of which \$1,000 was paid upon execution of the agreement of sale, \$14,000 will be payable on or before the transfer date and the balance (\$40,000) will be payable

(1) The 1946 annual report of Baker's Transfer & Storage shows operating revenues for the year of \$47,990.58, charges for operating expenses, taxes and depreciation of \$36,429.60 and net carrier operating income of \$11,560.98.

in installments of \$1,000 on or before August 1, 1947, \$5,000 on or before January 15, 1948, and \$34,000 in sixty equal monthly installments commencing on February 15, 1948, with interest on unpaid balances at the rate of 6 per cent per annum. The deferred payments will be represented by a note for \$40,000 secured by a chattel mortgage covering the four units of equipment.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided. At this time, applicants 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.

Therefore, good cause appearing,

IT IS HEREBY ORDERED as follows:

1. Bessie Iola Baker, J. M. Bridges and Margaret Bridges, after the effective date hereof and on or before August 31, 1947, may transfer to George W. Martin, Walter Gideon, Ray Taylor and C. I. Brothers the operative right acquired by them pursuant to authority granted by Decision No. 32655, dated December 19, 1939, and the operating equipment referred to herein.

2. George W. Martin, Walter Gideon, Ray Taylor and C. I. Brothers, after the effective date hereof and on or before August 31,

1947, for the purpose of financing in part the cost of said properties, may issue a note in the principal amount of \$40,000 and execute a chattel mortgage in, or substantially in, the same form as the note and chattel mortgage filed in this proceeding, it being the opinion of the Commission that the money, property or labor to be procured or paid for through such issue is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

3. 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 sixty (60) days from the effective date hereof and on not less than one (1) day's notice to the Commission and to the public.

4. The authority herein granted is not to be construed to be a finding of value of the properties herein authorized to be transferred.

5. George W. Martin, Walter Gideon, Ray Taylor and C. I. Brothers, within thirty (30) days after the issue of the note herein authorized, shall file with the Commission a statement showing the journal entries used to record on their books the purchase of the properties under the authority herein granted, and a report of the issue of the note as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

6. The authority herein granted to issue a note and execute a chattel mortgage will become effective when George W. Martin, Walter Gideon, Ray Taylor and C. I. Brothers have paid the fee

prescribed by Section 57 of the Public Utilities Act, which fee is Forty (\$40.00) Dollars. In other respects the authority herein granted will become effective twenty (20) days from the date hereof.

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

Harold P. Huls

Justus P. Calver

Dr. H. P. Lowell

A. J. Morrison

Kenneth Patten

COMMISSIONERS

