

Decision No. 41978

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of G.F.D. LINES, INC. to sell	)	
and FILM TRANSPORT CO. OF CAL.	)	
to purchase a Certificate of Public	)	Application
Convenience and Necessity for the	)	No. 29049
transportation of motion picture films	)	
and accessories between Los Angeles	)	
and points in Southern California	)	
-----	)	

Bailey & Poe by Arlo D. Poe, for Applicants

O P I N I O N

In this application as amended at the hearing had on August 12, 1948 before Examiner Fankhauser, G.F.D. Lines, Inc., hereinafter sometimes referred to as Seller, asks permission to sell and transfer to Benjamin S. Goldberg and W. Earl Goldberg, co-partners doing business as Film Transport Co. of Cal. hereinafter sometimes referred to as the Buyers, the certificate of public convenience and necessity described in Decision No. 27254, dated August 6, 1934, as amended by Decision No. 27565 dated December 3, 1934, by Decision No. 36316, dated April 27, 1934, and by Decision No. 36854 dated February 8, 1944.

Seller also asks permission to sell and transfer to Buyers that certain parcel of real property located in the County of Los Angeles, City of Los Angeles, State of California, described as follows:

The West 39 feet of Lots 1, 2, 3, and all of Lots 5, 6 and 7 in Block 3 of the Second Subdivision of the Widd Tract, in the City of Los Angeles, as per map recorded in Book 66, page 99 of Miscellaneous Records, in the office of the County Recorder of said County.

Also the real property in said City, County and State described as follows:

Beginning at the Southeast corner of said Lot 5; thence North along the East line of said Lot 5, 156 feet to the Northeast corner thereof; thence East, along a prolongation of the North line of said Lot 5 a distance of 7 feet; thence South parallel with the East line of said Lot 5 to the point of intersection with the prolongation westerly of the North line of said Lot 3; thence Easterly along said last mentioned prolongation to the Northwest corner of said Lot 3; thence South along the West line of said Lots 1, 2, and 3 to the Southwest corner of said Lot 1; thence westerly along the westerly prolongation of the South line of said Lot 1 to the point of beginning; being formerly part of an alley vacated by Los Angeles City Ordinance No. 11162 (New Series) approved May 11, 1905.

The property is used by Seller as its Los Angeles terminal. It is subject to a deed of trust on which there is an unpaid balance of about \$23,178. Seller is indebted to Benjamin S. Goldberg in the sum of \$8,000 for cash advances and loan to Seller during the past year. Said Benjamin S. Goldberg has assigned and transferred to W. Earl Goldberg a 1/2 interest in such indebtedness. The real property will be transferred to the Buyers upon condition that they release Seller from the \$8,000 obligation and assume the payment of the amount secured by the deed of trust on the property. Buyers will permit Seller to continue to use the property for its terminal on a rental basis.

Seller is presently engaged in operating an interstate and intrastate highway common carrier service. Under authority granted by the Interstate Commerce Commission, it operates between points in California and points in Arizona.

Included in its operations is the transportation of films and accessories as authorized by the above mentioned decisions. Exhibit "7" shows that Seller's film revenue for the

first seven months of this year amounted to \$48,923.90 and its revenue from all other sources to \$287,397.53, or a grand total of \$336,321.43.

The record shows that although Benjamin S. Goldberg established the business now conducted by Seller, he is not at this time a stockholder of G.F.D. Lines, Inc. He is familiar with its operations and is ready to undertake that portion of Seller's operation that relates to the transportation of films and accessories within the State of California as permitted in said certificate of public convenience and necessity. Testimony shows that services now rendered by Seller will not be adversely affected by the transfer of said certificate of public convenience and necessity and real property.

Buyers 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.

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

ORDER

The Commission having considered the evidence submitted at the hearing had on this application, and it being of the opinion that the application should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. G.F.D. Lines, Inc., may, after the date hereof and on or before December 31, 1948, sell and transfer to Benjamin S. Goldberg and W. Earl Goldberg, co-partners doing business as Film Transport Co. of Cal., the certificate of public convenience and necessity and real property referred to in the foregoing opinion, said sale and transfer to be made for the consideration mentioned in said opinion.

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

3. The authority herein granted is effective on the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of August 1948.

Justice F. C. Galloway  
Director of Appeals  
Harold A. Kula  
Kenneth P. Potter