

Decision No. 43676

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
GARRETT FREIGHTLINES, INC., an Idaho)
corporation, for an order authorizing)
a sale of certain of its terminal assets, : Application
and GARRETT TERMINAL CORPORATION, an) No. 30888
Idaho corporation, for authority to)
purchase such terminal assets.)
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O P I N I O N

In this application, Garrett Freightlines, Inc. asks permission to sell to Garrett Terminal Corporation terminal properties situated in the City of Berkeley and in the City of Los Angeles, California. The properties are described in the warranty deeds on file in this application.

The cost of the Los Angeles property is reported as follows:

Land	\$17,515.00
Buildings	22,950.87

The book value of the property as of November 30, 1949, is reported at \$36,735.15.

The real estate in Berkeley cost applicant \$41,331.50. A building is being constructed thereon at an estimated cost of between \$65,000 and \$70,000.

It is proposed to transfer said terminal properties to Garrett Terminal Corporation at their book value as shown by the books of Garrett Freightlines, Inc. Garrett Terminal Corporation will pay for the properties by the issue of common stock at its par value.

Garrett Freightlines, Inc. will have the use of the properties on a rental basis.

Both Garrett Freightlines, Inc. and Garrett Terminal Corporation are corporations organized under the laws of Idaho. Garrett Freightlines, Inc. is engaged in the business of transporting property by motor carrier in interstate and foreign commerce under a certificate of public convenience and necessity granted by the Interstate Commerce Commission. Its operations⁽¹⁾ cover portions of the States of California, Oregon, Idaho, Utah and Montana. It does not hold and never has held any authority to engage in intrastate transportation business in California.

The application shows that Garrett Terminal Corporation proposes to borrow \$500,000 from The Equitable Life Assurance Society of the United States. The payment of this loan is to be secured by a mortgage upon certain terminal properties, including those referred to above. The loan is required to retire existing mortgages on some terminal properties and to commence the construction of a new terminal and home office building at Pocatello, Idaho.

Counsel for applicants has advised the Commission that the title company has questioned the right of Garrett Freightlines, Inc. to sell said terminal properties without this Commission's authorization. Under the facts presented in this application, it is doubtful that this Commission has any authority over the sale of said terminal properties. We have no objection to the sale of said terminal properties. Inasmuch as a jurisdictional question has been

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For the eleven months ending November 30, 1949, Garrett Freightlines, Inc. reports operating revenues of \$5,921,646.76 and a net profit of \$431,495.00.

raised, the Commission, to the extent that it has jurisdiction in the premises, will authorize the sale of said terminal properties.

O R D E R

The Commission has considered this application and is of the opinion that a public hearing thereon is not necessary and, that to the extent that it has jurisdiction over the sale of said terminal properties this application should be granted; therefore,

IT IS HEREBY ORDERED that Garrett Freightlines, Inc. may sell, after the effective date hereof and on or before June 30, 1950, to Garrett Terminal Corporation, the properties described in the warranty deeds on file in this application.

IT IS HEREBY FURTHER ORDERED that the authority herein granted is effective upon the date hereof.

Dated at San Francisco, California, this 5th day of January, 1950.

R. F. [Signature]
Arthur J. [Signature]
Walter F. [Signature]
Harold A. [Signature]
James H. [Signature]
Commissioners