

Decision No. 44148**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MARTIN H. RICHARDS, an individual,)
 doing business as RICHARDS)
 TRANSPORTATION CO., to sell, and) Application No. 30967
 SIGNAL TRUCKING SERVICE, LTD., a)
 California corporation, to purchase.)

O P I N I O N

Martin H. Richards, an individual, doing business as Richards Transportation Co., seeks authority to transfer to Signal Trucking Service, Ltd., a corporation, such rights as a public utility warehouse as the seller may have pursuant to Decision No. 42124, dated October 11, 1948, on Application No. 29722, and such operative rights as a highway common carrier as are granted to the seller by Decision No. 42623, dated March 15, 1949, on Application No. 29786, and Decision No. 43049, dated June 28, 1949, on Application No. 29629, et al.

It is also proposed to transfer certain motor vehicle and shop equipment as set out in Exhibit A, and likewise the good will of the public warehouse and common carrier businesses. The purchase price proposed is the sum of \$25,000 of which \$5,000 has been advanced by the buyer to the seller and \$20,000 to be paid within ten days after approval of the transaction. In the event the transaction proposed is not approved, then the seller has agreed to return the \$5,000 deposit to the buyer.

The purchase price for the various items involved is listed in the application as follows:

1. Public utility warehouse
operating authority - - \$100
2. Highway common carrier
operating authority - - \$100
3. Good will - - - - - 100
4. Tangible property - - - \$24,700

It is alleged that these prices are conservative and, in particular, that the sum of \$24,700 represents the present market value of the tangible property involved.

The application further alleges that the business of the proposed seller has substantially declined during the year 1949 as compared with the previous year, the gross revenues decreasing from approximately \$93,000 in 1948 to approximately \$51,000 in 1949. It is further alleged that these declining revenues have placed the seller in a position where it is questionable whether or not he will be able to continue in the conduct of his business. The buyer is engaged in substantial operations in the territory served by the seller and will be able to absorb the equipment and other items proposed to be purchased in its business.

After a full consideration of this matter, we are of the opinion that Martin H. Richards, an individual, doing business as Richards Transportation Co., should be permitted to transfer the operative rights and assets herein described to Signal Trucking Service, Ltd. A public hearing is not necessary.

In authorizing this transfer, we are making no finding of value of the operative rights and hereby place the transferee upon notice that operative rights, as such, do not constitute a class of

property which may be 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 granting 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

Application as above entitled having been made, the Commission being fully advised in the premises and hereby finding it not adverse to the public interest,

IT IS ORDERED:

(1) That Martin H. Richards, an individual, doing business as Richards Transportation Co., after the effective date hereof, may transfer to Signal Trucking Service, Ltd., a corporation, the tangible property above described and the certificate of public convenience and necessity to operate as a public warehouse, granted by Decision No. 42124, dated October 11, 1948, on Application No. 29722, and the certificates of public convenience and necessity to operate as a highway common carrier granted by Decision No. 42623, dated March 15, 1949, on Application No. 29786, and Decision No. 43039, dated June 28, 1949, on Application No. 29629, et al. Signal Trucking Service, Ltd., is hereby authorized to purchase said operative rights and tangible property and thereafter to operate thereunder, subject to the conditions hereinafter set out.

(2) That Martin H. Richards be, and he hereby is, authorized

to sell for \$25,000 the operating rights and property referred to above.

(3) That Signal Trucking Service, Ltd., should this transfer be effected, 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 schedules within sixty (60) days after the effective date hereof and upon not less than five (5) days' notice to the Commission and the public.

(4) That Signal Trucking Service, Ltd., within thirty (30) days after making the transfer hereinabove authorized, shall file with the Commission a statement showing the journal entries used to record on its books the purchase of the operating authorities and the property herein authorized to be transferred.

(5) That the authority herein granted is not to be construed as a finding of the values of the property herein authorized to be transferred.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 9th day of May, 1950.

R. B. Anderson
Justin F. Casper
Walter Lowell
Harold P. Kils
Kenneth D. Potter
COMMISSIONERS