

ORIGINAL

Decision No. 44585

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
CHARLES L. DICKMAN, an individual doing)
business as and under the firm name) Application No. 31544
and style of DICKMAN OVERNITE CAR)
SERVICE, to sell, and ROBERTSON DRAYAGE)
CO., INC., a corporation, to purchase.)

O P I N I O N

The Commission is herein requested to authorize Charles L. Dickman, who is engaged as a freight forwarder between Stockton and San Francisco, to sell such operative rights as he may possess pursuant to the provisions of the Public Utilities Act, Statutes 1933, Chapter 784, together with the business and good will thereof, to Robertson Drayage Co., Inc.

Applicant Dickman alleges he is desirous of making such sale because he no longer wishes to engage in business as a freight forwarder.

A copy of a contract of sale dated June 5, 1950, marked Exhibit "C" is attached to the application and provides that the seller is to transfer the above-mentioned operative rights, business and good will to the buyer, in consideration for which the buyer is to satisfy the obligations of such business in a sum not to exceed \$3600.

Applicant Robertson Drayage Co., Inc., alleges that it possesses city carrier and radial highway common carrier permits issued by this Commission; that it is closely associated with seller who utilizes its facilities in the conduct of his business; that it can operate such business in an efficient, economical and

capable manner to the benefit of the shipping public. A balance sheet as of March 31, 1950, appended to the application indicates it has total assets of \$360,403.11 of which \$7,123.73 is represented by cash and \$224,731.61 by operating equipment. An income statement covering the period January 1 to March 31, 1950, discloses gross income of \$96,835.85 and net income of \$22,203.39.

We find that the public interest will not be adversely affected by approval of the transfer of the operative rights, business and good will with which we are here concerned. The application will be granted. In taking this action we are making no finding of the value of the operative rights, business and good will involved. A public hearing is not necessary.

Robertson Drayage Co., Inc., is hereby placed on 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 having been filed, and the Commission being of the opinion that the authority requested should be granted,

IT IS ORDERED:

(1) That Charles L. Dickman after the effective date

hereof and on or before October 31, 1950, may sell and transfer to Robertson Drayage-Co., Inc., the operative rights, business and good will referred to herein and the latter may acquire and thereafter operate the same, such sale and transfer to be made in accordance with the terms of the contract attached to the application as Exhibit "C".

(2) That within 30 days after completion of the transfer herein authorized Robertson Drayage Co., Inc., shall notify the Commission in writing of that fact and within said period shall file with it a true copy of the bill of sale executed by Charles L. Dickman to effect the transfer.

(3) Applicants shall comply with the provisions of Tariff Circular No. 2 by filing in triplicate and concurrently making effective, appropriate tariffs within 60 days after the date hereof and on not less than 5 days' notice to the Commission and the public.

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

Dated at San Francisco, California, this 25th day of July, 1950.

R. Z. Dunderberg
James F. O'Connell
Wm. T. Farrell
Harold P. Hull
Herbert H. Patten
COMMISSIONERS