

ORIGINAL

Decision No. 45490

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 UNION TRANSFER & STORAGE COMPANY OF)
 LOS ANGELES, a corporation, to sell,)
 and J. W. BAUMGARDNER, doing business)
 as BOND TRUCKING COMPANY, to purchase)
 operating rights and certain property) Application No. 32111
 of a highway common carrier for the)
 transportation of freight, express)
 and baggage.)

O P I N I O N

Union Transfer & Storage Company of Los Angeles owns operating rights as a highway common carrier of general freight, express and baggage between Los Angeles, Culver City, Palms, Venice, Ocean Park, Santa Monica, and intermediate points⁽¹⁾, and between Los Angeles and steamship docks and wharves at Los Angeles Harbor⁽²⁾. In this proceeding the Commission is requested to authorize Union Transfer & Storage Company of Los Angeles to sell, and J. W. Baumgardner, doing business under the name of Bond Trucking Company, to purchase, the former's operative rights above described, together with certain automotive equipment described in a written offer of sale made by said corporation and accepted by said J. W. Baumgardner. This equipment consists of one van-type truck and two flat-type Mack trucks of the years 1937, 1938, and 1940, respectively, and a 1941 Ford stake truck.

(1) Decision No. 8969, dated May 12, 1921, on Application No. 6517; and Decision No. 28176, dated August 19, 1935, on Application No. 20082.

(2) Decision No. 14404, dated December 27, 1924, on Application No. 9496, and Decision No. 33453, dated September 3, 1940, on Application No. 23636.

The purchase price to be paid by the buyer for the transfer and sale of said operating rights and automotive equipment is \$6,000, of which sum \$2,000 represents the sales price of the equipment, and \$4,000 the consideration to be paid for said operating rights.

The application alleges that the proposed seller is presently operating under financial difficulties, and the transfer herein proposed will enable said corporation to devote its full time and resources to its other business activities. Operations under the rights proposed to be transferred herein were suspended because of financial difficulties during the period of approximately July 15, 1948, to October 1, 1948. With that exception, it is stated, operations under said rights have been conducted continually since their acquisition by said applicant.

Bekins Van Lines, Inc. has indicated that it would oppose this application unless the purchaser would agree to the elimination from the authority to be transferred the right to transport uncrated used household goods, furniture and personal effects. Applicant Baumgardner, through his attorney, has written to the Commission stating that he is willing to have the right to carry such freight eliminated from the operating authority he is to acquire.

After full consideration, it is found as a fact that public interest and convenience will not be affected adversely by approval of the transfer of the operative rights with which we are here concerned. Accordingly, the application will be granted with the limitation above indicated. A public hearing is unnecessary.

J. W. Baumgardner, doing business as Bond Trucking Company, purchaser, is 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 or particular routes. 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 action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred.

O R D E R

Application having been made to the Public Utilities Commission for an order authorizing the transfer of operating rights, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary and that the application should be granted as herein provided,

IT IS ORDERED:

(1) That Union Transfer & Storage Company of Los Angeles, a California corporation, after the effective date hereof, and on or before May 1, 1951, may sell and transfer to J. W. Baumgardner, doing business as Bond Trucking Company, the operating rights herein referred to, and said J. W. Baumgardner may acquire the same pursuant to the agreement, copy of which was attached to the application herein as Exhibit "B", and may operate the same subject to the restriction that uncrated used household goods, furniture and

personal effects shall not be transported.

(2) That, within thirty (30) days after the consummation of the transfer herein authorized, said J. W. Baumgardner shall notify the Commission in writing of that fact, and shall, within said period file with the Commission a true copy of any bill of sale or other instrument of transfer which may have been executed to effect such transfer.

(3) Applicants shall comply with the provisions of General Orders Nos. 80 and 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 on not less than five (5) days' notice to the Commission and the public.

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

Dated at San Francisco, California, this 27th day of March, 1951.

R. F. Induray
Justin F. Casner
Harold Hulse
Samuel R. Potts
Edna E. Mitchell
(COMMISSIONERS)