

Decision No. 45899

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
LOUIS M. GOODMAN dba GOODMAN DELIVERY
SERVICE and GOODMAN DELIVERY SERVICE,
INC., a corporation, to sell, and of
20TH CENTURY DELIVERY SERVICE, INC.,
a corporation, to buy certain highway
common carrier and express corporation
operating rights.

Application
No. 32498

O P I N I O N

This application shows that Louis M. Goodman, doing business as Goodman Delivery Service, is a city carrier and a highway common carrier of property and that he is the principal owner and manager of Goodman Delivery Service Inc., a corporation engaged in business as a city carrier and an express corporation. Applicant Goodman reports that he desires to liquidate the two businesses and that he has made arrangements, and in this application asks authorization, to sell and transfer operative rights to 20th Century Delivery Service, Inc.

The operative rights thus proposed to be sold and transferred are those acquired by said Goodman under authority granted by Decision No. 32981, dated April 9, 1940, permitting highway common carrier operations between Bell, Cudahy, Cudahy Ranch, Florence Fruitland, Grant Station, Huntington Park, Los Angeles, Miramonte, Southgate, Vernon, Walnut Park and Watts, and those acquired by said Goodman Delivery Service, Inc. under authority given by Decision No. 29899, dated June 28, 1937, authorizing the transportation as an express corporation of packages weighing not more than 41 pounds from Los Angeles to other points in California, shown in its tariff, including Riverside, Westside Oil Fields, Fresno, San Luis Obispo, El Centro, Calexico, San Diego and intermediate

points. The agreed consideration for the transportation rights and business is \$5,000 and for the express rights and business, \$1,000, payment in both cases to be made in cash within ten days after an order authorizing the sale becomes effective. No equipment is included in either transaction.

20th Century Delivery Service, Inc., is a California corporation which is engaged in business as a city carrier and an express corporation. It reports that it is fully equipped and has adequate resources to take over and continue the operations of the sellers. Its financial condition, as reflected by its balance sheet of March 31, 1951, is reported as follows:

<u>Assets</u>		
Current assets-		
Cash	\$ 37,204.20	
Notes and accounts receivable	<u>54,388.46</u>	
Total current assets		\$ 91,592.66
Due from affiliate		3,346.99
Tangible assets-		
Trucks, equipment and improvements	149,719.68	
Less- reserves for depreciation	<u>107,868.53</u>	
Net tangible assets		41,851.15
Other investments and deferred charges		<u>20,640.24</u>
Total Assets		<u>\$157,431.04</u>
<u>Liabilities</u>		
Current and accrued liabilities		
Operating reserves		\$ 56,097.77
Capital and surplus		7,134.28
Total Liabilities		<u>94,198.99</u>
		<u>\$157,431.04</u>

For the year 1950, 20th Century Delivery Service, Inc. reported revenues of \$497,709.28 and net profit of \$46,003.24. Louis M. Goodman and Goodman Delivery Service, Inc. reported consolidated revenues of \$63,756.42 and net operating profit of \$7,978.27.

It appears that the proposed transfer will not be contrary to the public interest and that an order should be entered granting applicants' requests. The action of the Commission on this application shall not be construed to be a finding of the value of the

operative rights. The Commission wishes to place 20th Century Delivery Service, Inc. 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 in the number of rights which may be given.

ORDER

The Commission having considered the above entitled 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 HEREBY ORDERED as follows:

1. Louis M. Goodman and Goodman Delivery Service, Inc., after the effective date hereof and on or before September 30, 1951, may sell and transfer to 20th Century Delivery Service, Inc., under the terms and conditions set forth in this proceeding, their operative rights represented by the certificates of public convenience and necessity acquired under authority granted by Decision No. 32981, dated April 9, 1940, and Decision No. 29899, dated June 28, 1937.

2. Applicants shall comply with the provisions of General Orders No. 80 and No. 93-A, and Tariff Circular No. 2 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 will become effective twenty (20) days from the date hereof.

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

Chas. J. Anderson
Harold Kula
Robert L. Bell

Commissioners