

Decision No. 46770

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 A. C. STEITZ, R. M. BERNSTEIN and)
 M. D. VALOFF)
 doing business as)
 AIRWAYS TANK LINE)
 to sell, and)
 M. D. VALOFF and F. W. GARRETT)
 doing business as)
 AIRWAYS TANK LINE)
 to purchase regular route petroleum)
 common carrier rights between points)
 in the State of California.)

Application No. 33077

O P I N I O N

By Decision No. 43161, on Application No. 30028, dated July 26, 1949, this Commission granted to A. C. Steitz, R. M. Bernstein and M. D. Valoff, partners, doing business as Airways Tank Line, a certificate of public convenience and necessity authorizing them to establish and operate a service as a highway common carrier for the transportation of petroleum products, with certain named exceptions, along eight described routes in Southern California south of Santa Barbara, Bakersfield and Lone Pine.

It is alleged in the present application that the partnership has been dissolved and that M. D. Valoff and F. W. Garrett have purchased from the original partners all of their right, title and interest in said petroleum transportation business including the operating rights, valued at \$1.00. Said purchase was effected by the payment of \$2500 to A. C. Steitz by F. W. Garrett and the payment of \$4000 to R. M. Bernstein by M. D. Valoff and F. W. Garrett.

The business is now being operated by the new partnership consisting of M. D. Valoff and F. W. Garrett, doing business as Airways Tank Line.

As of November 30, 1951, the financial condition of the new partnership was as follows:

A S S E T S

Cash in Bank		\$	298.64	
Accounts Receivable			5,750.14	
Notes Receivable			5.00	
Cash Deposits			3,270.00	
Prepaid Insurance			1,151.26	
Trucks & Autos	\$	39,176.90		
Less Depreciation		<u>35,441.48</u>	<u>3,735.42</u>	
TOTAL ASSETS				<u>\$ 14,210.46</u>

L I A B I L I T I E S

Accounts Payable		1,044.20	
Contracts Payable		1,680.65	
F O A B Insurance Payable		85.50	
Unemployment Insurance Payable		29.11	
Withholding Tax Payable		154.06	
Accrued Fuel Taxes		<u>107.31</u>	
TOTAL			3,100.83

P R O P R I E T O R S H I P & N E T W O R T H

Proprietorship	10,178.01		
Less Withdrawals	<u>9,278.80</u>	899.21	
NET PROFIT FOR PERIOD		<u>10,210.42</u>	<u>11,109.63</u>
TOTAL LIABILITIES			<u>\$ 14,210.46</u>

The list of equipment owned and operated is as follows:

<u>YEAR</u>	<u>MAKE</u>	<u>TYPE</u>	<u>CAPACITY OF TANK IN GALLONS</u>
1940	GMC	Truck	3425
1939	Sterling	Truck	2790
1947	Pike	Trailer	4250
1945	Trailmobile	Trailer	3800
1936	Dodge	Tractor	-
1936	Weber	Semitrailer	2000
1940	Ford	Pickup	-

No obligations have been incurred which require the authority of this Commission.

The present partners are experienced in the type of business being conducted. The original partnership operated as a net profit of \$9231.74 for the period of June 1 through November 30, 1951.

No changes are contemplated in the manner of operating the business.

The application is not opposed and, as it does not appear that the sale and transfer of the business and assets is adverse to the public interest, the application will be granted.

The action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred.

M. D. Valoff and F. W. Garrett are 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. 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 having been made, the Commission being fully advised in the premises and good cause appearing,

IT IS ORDERED:

(1) That A. C. Steitz, R. M. Bernstein and M. D. Valoff, co-partners be, and they are hereby, authorized to sell and transfer,

on or before March 31, 1952, to M. D. Valoff and F. W. Garrett, co-partners, and the latter are authorized to acquire and operate, the highway common carrier operating right and properties referred to in the foregoing opinion.

(2) That applicants shall file in triplicate and concurrently make effective, appropriate tariffs and time schedules, within sixty (60) days from the effective date hereof on not less than one (1) day's notice to the Commission and the public.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 19th
day of February, 1952.

R. T. [Signature]
President
Justice F. [Signature]
Harold [Signature]

Commissioners