

ORIGINALDecision No. 47158

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Harold W. Hammond, doing business
 as HAMM TRANSPORTATION CO., to sell,
 and SOUTHWEST TANK LINES, a Cali-
 fornia corporation, to buy petroleum
 irregular route common carrier rights
 between points in the State of Cali-
 fornia.

Application No. 33284

O P I N I O N

Harold W. Hammond, doing business as Hamm Transporta-
 tion Co., seeks authority herein to transfer to Southwest Tank
 Lines, a California corporation, such operative rights as a
 petroleum irregular route carrier as the seller may have
 pursuant to Decision No. 44473, dated June 27, 1950, in
 Application No. 31210. The consideration for this sale is \$1.00.

The application alleges that the seller proposes to
 sell his operative rights to the Southwest Tank Lines in order
 that he may devote his time to other duties. The proposed
 purchaser is a California corporation now engaged in the
 business of a petroleum contract carrier between points in
 California, and it is desirous of purchasing this operative
 authority as a petroleum irregular route common carrier because
 it alleges that such authority would permit greater flexibility
 in the transportation of bulk petroleum products. The appli-
 cation further alleges that the seller will request that its
 petroleum contract carrier Permit No. 19-43766 be cancelled
 in the event this transfer is approved.

Attached to the application is a copy of the Articles of Incorporation of Southwest Tank Lines, and also a Balance Sheet and Profit and Loss Statement. In addition, there is a list of the purchaser's equipment attached to the application.

After a full consideration of this matter we hereby find that the proposed transfer of the operative rights, herein described, by Harold W. Hammond, doing business as Hamm Transportation Co., to Southwest Tank Lines, a California corporation, is not adverse to the public interest and, accordingly, it will be authorized. 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 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 as above entitled having been made, the Commission being fully advised in the premises and having found that the requested transfer will not be adverse to the public interest,

IT IS ORDERED:

(1) That Harold W. Hammond, doing business as Hamm Transportation Co., after the effective date hereof, may transfer to Southwest Tank Lines, a California corporation, the certificate of

public convenience and necessity to operate as a petroleum irregular route carrier granted by Decision No. 44473, dated June 27, 1950, on Application No. 31210, for a consideration of one dollar (\$1.00).

(2) That Southwest Tank Lines, should this transfer be effected, shall file in triplicate and concurrently make effective tariffs and time schedules satisfactory to the Commission.

(3) That Southwest Tank Lines, 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.

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

Dated at San Francisco, California, this 17th day of May, 1952.

A. J. Dunnington
President

Justice F. Casner
Harold A. Kula

Frederick D. Patten
Walter E. McNeill
Commissioners