

ORIGINALDecision No. 49114

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 O. J. BOEDEKER and A. T. RAWLINS,)
 copartners doing business as)
 SACRAMENTO FREIGHT LINES, to sell,)
 and LOM THOMPSON, an individual)
 doing business as THOMPSON TRUCK)
 LINES, to buy, operative rights,)
 good will, automotive equipment,)
 office equipment and real property;)
 and for authority to establish)
 joint rates.)

Application No. 34603

O P I N I O N

By Decision No. 47089, dated April 29, 1952, on Application No. 33209, O. J. Boedeker and A. T. Rawlins, copartners doing business as Sacramento Freight Lines (hereinafter referred to as Sacramento Freight Lines), were authorized to acquire the operative rights created by and granted to Ralph A. Hagopian in Decision No. 46186, dated September 18, 1951, on Application No. 31398 together with certain listed equipment and good will. Said operating rights authorized, generally, (1) the transportation of farm and agricultural products from Imperial Valley to the Los Angeles Territory, (2) the transportation of chemicals, fertilizer, box shock and empty containers, and other products incidental to farming, from the Los Angeles Territory to the Imperial Valley, via U. S. Highway No. 99.

Sacramento Freight Lines, seller herein, also operates as a highway common carrier of similar and other commodities between Los Angeles and Sacramento, serving certain intermediate points, and between Sacramento and points north and east thereof. It states that its operations between Los Angeles and Imperial Valley are a separate and distinct portion of the service which it is rendering to the public as a highway common carrier.

The purchaser, Lom Thompson, doing business as Thompson Truck Lines (hereinafter referred to as Thompson Truck Lines), is a highway common carrier now authorized to transport certain agricultural products, fruits and other commodities from Imperial Valley to Los Angeles Territory, and general commodities and named products incidental to farming from the Los Angeles Drayage area to the Imperial Valley as more specifically set forth in Decision No. 46185, dated September 18, 1951, on Application No. 31104.

By this application Sacramento Freight Lines seeks authority to sell and transfer to Thompson Truck Lines the operating rights it acquired from Hagopian, and other tangible and intangible property, for the following considerations:

Operating right created by Decision No. 46186	\$ 1,000
Good will	5,500
One 1941 and one 1946 Chevrolet	1,000
275-foot lot in El Centro (used as terminal) and improvements thereon	14,500
Miscellaneous office equipment	<u>500</u>
Total consideration	\$22,500

Twenty-five hundred dollars (\$2500) of the purchase price has been paid into escrow pending consummation of the transaction, and the balance, \$20,000, is payable within fifteen days of the effective date of the order of approval.

As justification for the proposed sale and transfer, it is alleged that Sacramento Freight Lines now operates its Los Angeles-Imperial Valley service separately from its other services; that to the extent that some commodities are authorized to be transported, said service is competitive with that of the seller, and several other highway common carriers; that the transfer would be financially advantageous to both applicants; that the public would be better served; and that the purchaser will not require any additional equipment nor will the expenditure of any substantial sum be necessary.

Financial statements filed with the application show that Sacramento Freight Lines, as of April 30, 1953, had total assets of \$588,040.12 and total liabilities of \$448,564.56. The net worth was \$139,475.56, represented by partners' capital account of \$127,248.61 and a net gain from sale of assets of \$12,226.95, which latter sum is the result of four months' operation in 1953 that showed an operating loss of \$20,798.24 and a gain on sale of assets in the sum of \$33,025.19. (Exhibits "D" and "E").

Thompson Truck Lines, as of June 30, 1953, had total assets and liabilities of \$172,582.41 and \$96,040.14, respectively, and a net worth of \$76,542.27, represented by the proprietor's capital account. Net income for the first six months of 1953 amounted to \$29,855.25.

Applicants also request authority to establish and maintain through routes and joint rates and charges and to depart from the long and short haul provisions of the Constitution and the Public Utilities Code.

Through routes and joint rates and charges, applicants allege, will be advantageous to the shipping public because of the Sacramento, San Joaquin, Los Angeles and Imperial Valley areas or points that are served by the said carriers and because the said services would be available at the lower joint rates for an expeditious service that would be provided through a common terminal at Los Angeles.

The joint through rates proposed to be instituted are intended to be effective between all points served by Sacramento Freight Lines, except Los Angeles, on the one hand, and all points served by Thompson Truck Lines, also except Los Angeles, on the other hand. Sacramento Freight Lines and Thompson Truck Lines are also parties to certain through routes and joint rates with several other carriers, pursuant to Decisions Nos. 48372 and 47714, respectively.

✓ The through joint rates proposed to be applied herein are the minimum class rates contained in this Commission's Highway Carriers' Tariffs Nos. 2 and 8 and City Carriers' Tariff No. 3-A - Highway Carriers' Tariff No. 4-A, in so far as the applicants have authority to haul commodities set forth in said tariffs.

The Commission, having fully considered the matter, is of the opinion and finds that the proposed sale and transfer is not adverse to the public interest, and that establishment of through routes and joint rates and charges is justified. However, as applicants do not show the necessity for relief from the long and short haul provisions of the Constitution and the Public Utilities Code, such relief will not be granted.

The application will be granted in part and denied in part. A public hearing is not necessary.

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, the Commission being fully advised in the premises, and good cause appearing,

IT IS ORDERED:

(1) That O. J. Boedeker and A. T. Rawlins, copartners, doing business as Sacramento Freight Lines, may sell and transfer, on or before November 30, 1953, to Lom Thompson, an individual, doing business as Thompson Truck Lines, the operating rights and properties hereinabove described, said sale to be made substantially upon the terms and conditions of the agreement of sale filed with the application as Exhibit "C", and Lom Thompson is authorized to acquire and to continue to operate the said transportation service as heretofore authorized by this Commission.

(2) That applicants be, and they hereby are, authorized to establish, on not less than five days' notice to the Commission and

to the public, through routes and joint rates and charges as proposed in this Application No. 34603.

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

(4) That, in the event the authority to sell and transfer is exercised, Lom Thompson shall notify the Commission in writing of the fact within thirty days after the date of sale.

(5) That the authority herein granted shall expire unless exercised on or before November 30, 1953.

(6) That, except as hereinabove authorized, Application No. 34603 be and it hereby is denied.

The effective date of this order shall be twenty days after the date hereof:

Dated at San Francisco, California, this 22nd day of September, 1953.

R. B. [Signature]
President

[Signature]

[Signature]

Commissioners