

**ORIGINAL**Decision No. 49529

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Robert A. Shultz, doing )  
business as CORONADO TRANSFER, )  
to sell, and Charles W. Schenk, )  
an individual, to purchase, an )  
automobile freight line operated )  
between San Diego, California, )  
Coronado, California, and North )  
Island, California. )

Application No. 34883

O P I N I O N

Robert A. Shultz, doing business as Coronado Transfer,  
is providing service as a highway common carrier pursuant to  
authority from this Commission, between San Diego and Coronado.<sup>1</sup>  
By this application the Commission is requested to authorize

<sup>1</sup> Robert E. Hunt originally secured authority to carry general merchandise plus specified items (such as are now carried by a household goods carrier) between San Diego and Coronado "via San Diego and Coronado Ferry." (Decision No. 16298, dated March 25, 1926, on Application No. 11861). By Application No. 31311, filed with this Commission on April 17, 1950, Hunt requested authority to transfer the rights granted by Decision No. 16298 to Robert A. Shultz, the proposed seller herein, and described the rights to be transferred as the "transportation of freight between Coronado and San Diego and North Island." By Decision No. 44203, dated May 23, 1950, on Application No. 31311, the transfer of the rights granted by Decision No. 16298 was authorized. By the application herein, Shultz seeks authority to sell to Schenk the rights acquired by Shultz by Decision No. 44203, but describes these rights as "between San Diego, California, Coronado, California, and North Island, California." As the rights acquired by Shultz by Decision No. 44203 were the rights of Hunt recognized by Decision No. 16298, it is obvious that the rights subject to transfer are between San Diego and Coronado only.

Robert A. Shultz to sell, and Charles W. Schenk to purchase, the former's operative rights and certain supplies and equipment, exclusive of automotive equipment.

The consideration to be paid for the operative rights, supplies and equipment proposed to be transferred is the sum of \$3,000, of which \$38 represents the value of supplies and equipment and the balance is to be in payment for the operative rights. The purchase price is to be paid in cash upon the approval of the transfer by this Commission.<sup>2</sup>

Applicant Charles W. Schenk, it is alleged, has had considerable experience in the transportation business having operated in the past under the Commission's jurisdiction as a highway common carrier under the name of Charles W. Schenk, doing business as Auto Parts Delivery, and has been employed for a period of several years by highway carriers in the State of California. He has no automotive equipment at present but states that he will acquire the necessary equipment if the application is granted. The seller, it is alleged, is performing service under the authority proposed to be transferred with one 18-foot stake body truck.

The proposed purchaser has a claimed net worth of \$24,000, including approximately \$3,000 in cash. It appears that he will be able to secure the necessary equipment if the transfer is consummated.

The application states that the seller is not a party to any through or joint rates with any other carrier.

<sup>2</sup> See Exhibit A on application.

We find that the proposed sale is not adverse to the public interest. The application will be granted. A public hearing is not necessary.

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

Charles W. Schenk 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. 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.

ORDER

Application having been made and the Commission being fully advised in the premises,

IT IS ORDERED:

(1) That Robert A. Shultz may sell and transfer to Charles W. Schenk, within sixty days after the effective date hereof, the operating rights, supplies and equipment hereinabove described, and Charles W. Schenk may acquire and operate the same.

(2) That within thirty days after the consummation of the transfer herein authorized, Charles W. Schenk shall notify this Commission in writing of that fact.

(3) That within sixty days after the effective date hereof, and on not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs and timetables on file with the Commission naming rates, rules, regulations and schedules governing the common carrier operations here involved to show that Robert A. Shultz has withdrawn or canceled and Charles W. Schenk has adopted or established as his own said rates, rules, regulations and schedules.

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

Dated at San Francisco, California, this 5<sup>th</sup> day of January, 1954.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners