

ORIGINAL

Decision No. 50235

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
J. P. SPAENHOWER, doing business as :
STOCKTON DELIVERY CO., to sell, and)
DELTA LINES, INC., a corporation, to :
buy, operative rights and for author-)
ity of applicant DELTA LINES, INC., :
to execute a corporation instalment)
note. :
-----)

Application
No. 35543

O P I N I O N

This is an application for an order authorizing J. P. Spaenhower to transfer operative rights to Delta Lines, Inc.

The application shows that J. P. Spaenhower is engaged in the operation of a highway common carrier service for the transportation of commodities between Stockton, West Point and Lake Alpine and certain intermediate points under certificates of public convenience and necessity acquired by him pursuant to authorization granted by Decision No. 35679, dated August 11, 1942, Decision No. 36359, dated May 18, 1943, and Decision No. 37037, dated May 2, 1944. In addition he has in effect joint rates with Valley Express Co.

Applicant Spaenhower reports that because of his age he desires to be relieved of the supervision and management of the trucking operations and that, subject to receiving authorization from the Commission, he proposes to sell his operative rights to Delta Lines, Inc. at an agreed price of \$5,000, of which \$416.85 will be paid upon the closing date of the transaction and \$4,583.15

will be represented by a promissory note payable in 11 installments, without interest.

Delta Lines, Inc. is engaged in the highway common carrier service for the transportation of commodities generally between San Francisco Bay points, Sacramento, Stockton, Jackson, Placerville, Chico, and intermediate points, and between said points and points on U. S. Highway 99 from Stockton to and including Turlock, on the one hand, and Los Angeles territory, on the other hand. A substantial quantity of traffic is now being interchanged between it and applicant Spaenhower under joint rates, and it is thought by applicants that single line handling of such freight will effect economies and should result in improved service to the public. It appears from financial information on file with the Commission that Delta Lines, Inc. financially is in a position to take over and to continue the present operations. Accordingly, in our opinion the proposed transfer will not be adverse to the public interest.

Because the proposed note by its terms will run for less than 12 months, its issue need not be authorized by the Commission.

Applicants 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 as to the number of rights which may be given.

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

O R D E R

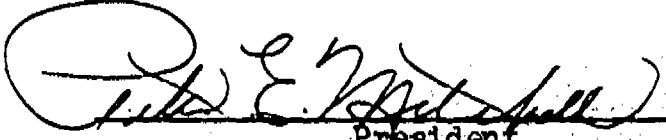
The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

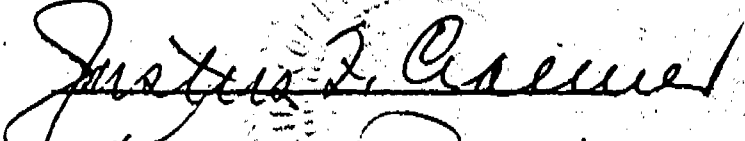


IT IS HEREBY ORDERED as follows:

1. J. P. Spaenhower may transfer to Delta Lines, Inc. the certificates of public convenience and necessity referred to in this application.
2. Delta Lines, Inc. may be substituted for J. P. Spaenhower as a party to joint rates with Valley Express Co.
3. On not less than five days' notice to the Commission and to the public, applicants shall supplement or reissue the tariffs on file with the Commission naming rates, rules and regulations governing the common carrier operations here involved to show that J. P. Spaenhower has withdrawn or canceled and Delta Lines, Inc. has adopted or established as its own said rates, rules and regulations. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the filing and construction of tariffs set forth in the Commission's General Order No. 80.

4. The authority herein granted will become effective
20 days after the date hereof.

Dated at San Francisco, California, this 6th day of
July, 1954.


President

Commissioners