

Decision No. 52174**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of FARNSWORTH & RUGGLES, a corpora- )  
tion, for authorization to transfer, )  
and of UNITED TRANSFER COMPANY- )  
CARLEY & HAMILTON, INC., a corpora- )  
tion, for authorization to acquire )  
a certificate of public convenience )  
and necessity authorizing operations )  
as a highway common carrier. )

Application No. 37422

O P I N I O N

This application was filed jointly by the two applicants, both California corporations,<sup>1</sup> on October 20, 1955. United has been in the past a highway common carrier with rights which cover most, but not quite all, of the "San Francisco-East Bay Cartage Zone" established by Decision No. 50872 in Case No. 5535. Farnsworth is a public warehouseman and a permitted carrier.

Farnsworth was applicant in Application No. 35051. That proceeding resulted in the grant of a certificate to Farnsworth in Decision No. 51044. The authority was for transportation of general commodities except uncrated household goods and livestock throughout the cartage zone above referred to. Farnsworth procured two orders extending the time for acceptance, by it, of this certificate. The latter of these two orders allows acceptance to be filed not later than November 1, 1955.

By this application Farnsworth seeks to transfer its cartage zone certificate to United. The two corporations, while

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<sup>1</sup> Farnsworth & Ruggles will be referred to herein as "Farnsworth" and United Transfer Company-Carley & Hamilton, Inc., as "United".

not quite identical in ownership, are controlled by the same person. If granted, United will then possess all the highway common carrier authority now held by both corporations. Farnsworth will possess permitted carrier authority only, and, of course, will retain its public warehouse authority. Farnsworth requests that it be deemed to have accepted the certificate granted to it by Decision No. 51044 for the purpose of effecting the transfer of the right to United. The price to be paid by United in connection with the sought transfer is \$1,250.

Exhibits attached to the application included a balance sheet of each applicant as at July 31, 1955, and an operating statement for each company covering the first seven months of 1955. For the period shown Farnsworth earned \$69,298.12 after provision for income taxes. United showed a profit of \$4,703.12 apparently before income taxes.

The Commission finds that the proposal 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 authorized to be transferred.

United Transfer Company-Carley & Hamilton, Inc., 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, such rights 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.

O R D E R

The Commission having considered this 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:

1. That, for the purpose of transferring the same as hereinafter provided, Farnsworth & Ruggles, a California corporation, shall be deemed to have accepted the certificate of public convenience and necessity as a highway common carrier heretofore granted to it by Decision No. 51044, dated January 25, 1955, in Application No. 35051.
2. That Farnsworth & Ruggles, a corporation, may sell and transfer to United Transfer Company-Carley & Hamilton, Inc., a corporation, within thirty days after the effective date of this order, the operating right referred to in the opinion herein for the sum of \$1,250 payable within thirty days after the effective date of this order.
3. That within thirty days after the consummation of the transfer herein authorized, the seller, the buyer, or either of them, shall notify the Commission in writing of that fact.
4. That within thirty days after the consummation of the transfer herein authorized, United Transfer Company-Carley & Hamilton, Inc., shall file in Application No. 35051 a written acceptance of the certificate granted to Farnsworth & Ruggles by Decision No. 51044 therein.
5. Within sixty days after the effective date hereof, and upon not less than five days' notice to the Commission and the public, United Transfer Company-Carley & Hamilton, Inc., shall establish the service herein authorized and comply with the provisions of General Order No. 80 by filing in triplicate and concurrently making effective tariffs satisfactory to the Commission.

6. That all of the present operating authority of United Transfer Company-Carley & Hamilton, Inc., authorizing service between points in the San Francisco-East Bay Cartage Zone, as defined in Decision No. 50872 dated December 14, 1954, in Case No. 5535, to which reference is hereby made is hereby revoked and canceled, such revocation and cancellation to take effect simultaneously with the establishment of service hereunder.

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

Dated at San Francisco, California, this 12<sup>th</sup> day of November, 1955.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners