

**ORIGINAL**Decision No. 52822

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 CROWN TRANSFER & STORAGE, a corpora-  
 tion, to sell, and RAUSCH TRANSPORTA-  
 TION CO., INC., a corporation, to  
 purchase operating rights as a highway  
 common carrier of property.

Application No. 37722

O P I N I O N

Crown Transfer & Storage, a corporation, seeks authority to sell its highway common carrier operating rights to Rausch Transportation Co., Inc., a corporation. Said operating rights authorize the transportation of property between Los Angeles and Pasadena, South Pasadena, Lamanda Park and Oak Knoll (Lamanda Park and Oak Knoll are now portions of Pasadena) and were recognized by this Commission in Decision No. 18766, dated September 3, 1927. Seller herein acquired said rights pursuant to authority granted in Decision No. 50452. No other property or assets are involved in this proposed sale. Seller is not a party to any through routes or joint rates with any other carrier.

Seller is also engaged in the transportation business as a permitted carrier under permits granted by this Commission, as a carrier by authority of the Interstate Commerce Commission, and in the public warehouse business in the City of Pasadena.

Buyer is a motor carrier under authority of permits issued by the Interstate Commerce Commission and by this Commission. It maintains its terminal and offices at 4280 Bandini Boulevard, Los Angeles, and its equipment consists of four tractors and four semitrailers.

It is alleged that the acquisition of the rights herein proposed to be transferred to buyer will permit buyer to expand its operations in the Los Angeles area and enable it to render a more efficient and satisfactory service; that the automotive equipment owned and used by buyer in its present operations will be sufficient for the operations under the certificate proposed to be purchased by it; that buyer is experienced in the transportation business; and that buyer will conduct the business under the fictitious firm name of Crown City & Los Angeles Express.

The consideration to be paid by buyer to seller for said operating right is \$1,500, payable in installments of \$100 or more per month commencing 120 days after the consummation of the transfer of said certificate following approval of the Commission. Said sum is to be payable without interest and is to be evidenced by a promissory note.

The Commission having considered the matters pertinent hereto is of the opinion and finds that the proposed sale and transfer are not adverse to the public interest, and that the money, property, or labor to be purchased or paid for by the issue of the \$1,500 note is reasonably required by Rausch Transportation Co., Inc., for the purpose specified herein. The application will be granted. A public hearing is not deemed necessary.

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

Rausch Transportation Co., Inc., a corporation, 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

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

IT IS ORDERED:

(1) That Crown Transfer & Storage, a corporation, may sell and transfer, on or before ninety days after the effective date of this order, to Rausch Transportation Co., Inc., a corporation, the highway common carrier operating rights referred to in the foregoing opinion, said sale to be made substantially upon the terms and conditions of the agreement of sale filed as Exhibit D with this application, and Rausch Transportation Co., Inc., may acquire said operating rights and continue the transportation service as heretofore authorized by this Commission, and, in payment therefor, may assume the indebtedness referred to in this proceeding, and may issue its promissory note in an amount not exceeding \$1,500.

(2) 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 amend tariffs on file with the Commission naming rates, rules and regulations governing the operations here involved to show that Crown Transfer & Storage has withdrawn and that Rausch Transportation Co., Inc., has adopted as its own said rates, rules and regulations.

(3) That, in the event the authority to sell and purchase is exercised, Rausch Transportation Co., Inc., shall notify the Commission in writing of that fact within thirty days after the date of sale.

(4) That the authority herein granted will become effective upon the payment of the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 27<sup>th</sup> day of March, 1956.

Paul E. Mitchell  
President

Raymond W. Lister

James Z. Caswell

Mark J. ...

B. ...  
Commissioners

