

Decision No. 61997

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Loyd B. Turner, an individual doing  
business as Blue Truck Lines to sell,  
and Kleimer Van Lines, Inc., a  
California corporation, to purchase  
operative rights.

Application No. 42442

Cromwell Warner, for Loyd B. Turner, Applicant.  
Sam O. Sciortino, for Lads Furniture Freight, Inc.,  
and Shelton Furniture Freight, Inc.,  
Interested Parties.  
Raymond M. Veltman, for Trojan Furniture Express, and  
R. C. Fels, for Furniture Manufacturers  
Association of California, Interested Parties.

O P I N I O N

This application seeks authority for Loyd B. Turner, doing business as Blue Truck Lines, to transfer certain of his operating rights to Kleimer Van Lines, Inc. The matter was consolidated for hearing with Application No. 42543 which involves a request for authority to transfer other operating rights between the parties.

A duly noticed public hearing was held in this matter before Examiner Donald B. Jarvis on March 3, 1961 at Los Angeles.

Turner holds certificates of public convenience and necessity authorizing him to operate as a highway common carrier for the transportation of new household, office and store furniture. The certificate here involved authorizes Turner to operate in the Los Angeles area and between the Los Angeles Territory and San Luis Obispo.

The record indicates that Turner has suspended operations because of a labor dispute. He has entered into a contract with Kleimer Van Lines to sell to Kleimer, subject to the approval of this Commission, the operating rights here under consideration for the sum of \$5,000. No other property is involved in the transaction.

Kleimer presently operates under the following permits issued by this Commission: City Carrier Permit No. 19-40303, Radial Highway Common Carrier Permit No. 19-46791, Highway Contract Carrier Permit No. 19-34051. In addition, Kleimer holds authority from the Interstate Commerce Commission to transport new furniture, store fixtures and related articles from points in California to various points throughout the United States.

Kleimer presently owns 36 pieces of operating equipment. Its operating revenues for the first eleven months of 1960 were \$428,326. It had a small earned surplus as of November 30, 1960.

None of the interested parties presented any evidence with respect to this application nor did any of them oppose the granting of it.

The Commission finds that the proposed transfer of operating rights would not be adverse to the public interest and that the application should be granted. Kleimer is hereby placed on 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 modified or canceled 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

A public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that:

1. Within one hundred and twenty days after the effective date of this order Loyd B. Turner may sell and transfer, and Kleimer Van Lines, Inc., a corporation, may purchase and acquire, the operative rights authorized by Decision No. 53086 in Application No. 35966 which were transferred to Turner pursuant to Decision No. 59931 in Application No. 41799, said transfer to be made pursuant to an agreement of the parties dated June 17, 1960, a copy of which is attached to the Application as Exhibit "C". Within thirty days after the consummation of the transfer herein authorized, Kleimer Van Lines, Inc., shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

2. On not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall supplement or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the operations here involved to show that Loyd B. Turner, has withdrawn or canceled and Kleimer Van 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 construction and filing of tariffs set forth in the Commission's General Order No. 80.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of MAY, 1961.

*Ernest W. Rapp*  
President  
*E. J. Kitchell*  
*E. J. Taylor*  
*Fredrick B. Hallock*  
Commissioners