

**ORIGINAL**

Decision No. 62000

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 CHARLES E. KANE and CHARLES P. COSTA, )  
 doing business as CHAS. F. KANE & CO., )  
 a copartnership, to sell, and SIGNAL )  
 TRUCKING SERVICE, LTD., a corporation, )  
 to purchase, certain operating rights. )

Application No. 43127

O P I N I O N

Charles E. Kane and Charles P. Costa, copartners, doing business as Charles F. Kane & Co., request authority to sell and Signal Trucking Service, Ltd., a corporation, requests authority to purchase public utility warehouse rights authorizing the operation of 50,000 square feet in the City of San Francisco for a cash consideration of \$4,500.

The operative rights were originally granted to Kane Warehouses, Inc., by Decision No. 38941, dated May 7, 1946. They were acquired by Charles E. Kane and Charles P. Costa by Decision No. 58254, dated April 14, 1959. Because applicant sellers have assertedly encountered difficulty in finding a warehouse site commensurate with their financial ability the operative rights at their request were suspended until June 30, 1960, by Decision No. 58254. Again at the request of applicant sellers said rights were suspended until March 31, 1961.

Signal Trucking Service, Ltd., presently conducts operations as a highway common carrier and as a permitted carrier. In addition it also operates public utility warehouses in the vicinity of Los Angeles and Long Beach. As of November 30, 1960, applicant purchaser indicated a total earned surplus in the amount

of \$1,465,258. Applicant purchaser alleges that it is presently looking for suitable property to purchase. It therefore requests that until such property is acquired, the suspension of the operative rights be extended until September 30, 1961.

After consideration the Commission is of the opinion that the proposed sale would not be adverse to the public interest. A public hearing is not necessary.

Signal Trucking Service, Ltd., 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 in a particular location. 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

Application having been filed and the Commission being informed in the premises,

IT IS ORDERED:

1. That, on or before July 1, 1961, Charles H. Kane and Charles P. Costa, are hereby authorized to transfer and sell, and Signal Trucking Service, Ltd., may purchase and acquire, the operative rights granted by Decision No. 38941, dated May 7, 1946, in Application No. 27360.

2. That, within thirty days after the consummation of the transfer herein authorized, Signal Trucking Service, Ltd., 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.

3. That, on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the public utility warehouse operations here involved, to show that Charles H. Kane and Charles P. Costa have withdrawn or canceled and Signal Trucking Service, Ltd., 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. 61.

4. That the order of suspension as authorized by Decision No. 58254 and as extended by Decision No. 60542 is hereby further extended to and including September 30, 1961.

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

Dated at San Francisco, California, this 11th day of MAY, 1961.

[Signature]  
 President

[Signature]

[Signature]

[Signature]  
 Commissioners