

ORIGINAL

Decision No. 62797

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 JOHN R. WEBB, an individual doing
 business as Webb Truck Co., to purchase,
 and of Willard L. Ryan, an individual
 doing business as Ryan Transfer &
 Storage Co., by his Trustee in Bankruptcy,
 Kyle Z. Grainger, Jr., to sell an oper-
 ative right authorizing the transport-
 ation of general commodities, between Los
 Angeles, California, on the one hand, and
 on the other Los Angeles Harbor, California,
 pursuant to Sections 851-853 of the Public
 Utilities Code.

Application No. 43790

O P I N I O N

Willard L. Ryan (hereinafter referred to as Ryan) by his Trustee in Bankruptcy, Kyle Z. Grainger, Jr., requests authority to sell and transfer and John R. Webb requests authority to purchase and acquire certain highway common carrier operative rights.

The rights in question authorize the transportation of general commodities between Los Angeles, on the one hand, and the Los Angeles Harbor, on the other. They were originally granted by Decision No. 12823 and acquired by the proposed transferor Ryan by Decision No. 51226.

John R. Webb is presently operating as a permitted carrier. He owns and operates six pieces of equipment. As of August 31, 1961, applicant purchaser indicated a net worth in the amount of \$21,857.20 and for the eight months ending August 31, 1961, realized a net profit in the amount of \$6,199.39.

It is alleged that Ryan has conducted operations as a highway common carrier since 1955; that by March 1961 Ryan had encountered financial difficulties which resulted in his filing a voluntary Petition in Bankruptcy; that a sale of Ryan's operative rights was made by the Trustee in Bankruptcy for a cash consideration of \$6,550; that because of the terms of the sale as prescribed by the Order Confirming Sale as entered by the Referee, the parties were not able to secure prior authority of the Commission and that such authority is now requested. ✓

By Decision No. 62115 dated June 6, 1961, in Application No. 36732, the Commission suspended, effective June 15, 1961, the certificate of public convenience and necessity and tariffs of Willard L. Ryan, doing business as Ryan Transfer and Storage, because the carrier failed to file evidence of adequate liability insurance. Ryan also was canceled effective August 1, 1961, as a participating carrier in Western Classification 77 of Western Classification Committee, Agent. This carrier does not have a classification on file with this Commission as required by Sections 486 and 493 of the Public Utilities Code.

After consideration, the Commission finds and concludes that the transfer and sale of said rights is not adverse to the public interest. A public hearing is not necessary.

John R. Webb 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

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

IT IS ORDERED:

1. That on or before December 1, 1961, Willard L. Ryan by his Trustee in Bankruptcy, Kyle Z. Grainger, Jr., may sell and transfer, and John R. Webb may purchase and acquire, the operative rights referred to in the preceding opinion.

2. That, within thirty days after the consummation of the transfer herein authorized, the purchaser shall notify the Commission, in writing, of the 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.

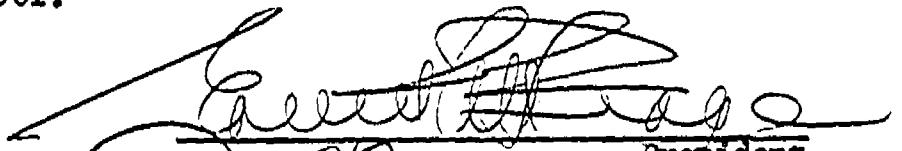
3. That on not less than five days' notice to the Commission and to the public, effective concurrently with the consummation of such transfer, applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations here involved, to show that Willard L. Ryan has withdrawn or canceled, and John R. Webb has adopted or established as his own, said rates, rules and regulations. The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80.

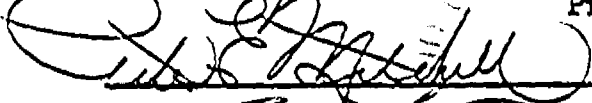
4. That on not less than five days' notice to the Commission and to the public, effective with the consummation of such transfer, John R. Webb shall file his freight classification with the Commission as required by Sections 486 and 493 of the Public Utilities Code.


5. That effective concurrently with the effective date of tariff and classification filings required by paragraphs 3 and 4 hereof, Decision No. 62115 dated June 6, 1961, in Application No. 36732, is hereby vacated and set aside.

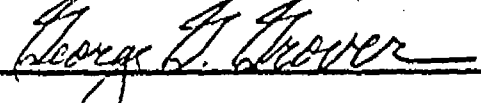
The effective date of this order shall be twenty days after the date hereof.


Dated at San Francisco, California, this 14th day of November, 1961.



President








Commissioners