

Decision No. 63528**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 CLAYTON C. KOONS, doing business as  
 STAPEL TRUCK LINES, to sell, and  
 V. & L. DRAYAGE, INC., a corporation,  
 to buy, a Highway Common Carrier cer-  
 tificate and property.

Application No. 44237

O P I N I O N

Clayton C. Koons requests authority to sell and transfer, and V. & L. Drayage, Inc., requests authority to purchase and acquire, certain highway common carrier operative rights and property.

The operative rights were granted by Decision No. 59497 dated January 12, 1960, as amended by Decision No. 63091 dated January 9, 1962, in Application No. 40925 and authorize the transportation of general commodities, with the usual exceptions, between San Francisco, Emeryville and Oakland, on the one hand, and, on the other hand, Orinda, Lafayette, Walnut Creek, Danville, Concord, Port Chicago, Pittsburg, Antioch, Martinez, Avon, Oakley, Brentwood, Byron, Bethel Island, Clayton and San Ramon. The sale also includes 17 units of equipment, together with all office furnishings and supplies, tires, tools and parts inventory, lease of terminal premises, and two removable houses on said premises.

The agreed consideration is \$60,000, payable \$13,998 in cash and the balance in six equal semi-annual installments of \$7,667 each, with interest at the rate of 6 percent per annum. A value of \$10,000 is placed upon the certificate and good will; a value of

\$30,700 is placed upon the equipment; a value of \$2,000 is placed upon the furniture and supplies; a value of \$12,000 is placed upon the two buildings; a value of \$5,000 is placed upon the inventory of tires, parts, tools and equipment; and a value of \$300 is placed upon the lease.

V. & L. Drayage, Inc., is presently engaged in the transportation of general commodities in the San Francisco Bay Area under Highway Contract Carrier Permit No. 1-9531. It presently owns and operates fifteen pieces of equipment. The president of applicant buyer has personally underwritten the buyer's obligation under the Sales Agreement and allegedly will provide working cash capital on an open account basis.

It is alleged that applicant Koons wishes to retire from active business life and that applicant buyer has the necessary experience and financial ability to conduct the operations herein considered.

After consideration the Commission finds and concludes that the proposed sale will not be adverse to the public interest and that applicant buyer has the necessary experience and financial ability to conduct the operations. The Commission further finds and concludes that the money, property or labor to be procured or paid for by the issue of the evidence of indebtedness herein authorized is reasonably required for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. A public hearing is not necessary.

V. & L. Drayage, Inc., 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.

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

O R D E R

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

IT IS ORDERED that:

1. On or before August 1, 1962, Clayton C. Koons may sell and transfer, and V. & L. Drayage, Inc., may purchase and acquire, the operative rights and property referred to in the preceding opinion according to the terms of the agreement attached to the application.
2. 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. On not less than thirty 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 Clayton C. Koons has withdrawn or canceled, and V. & L. Drayage, Inc., has adopted or established as its 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. V. & L. Drayage, Inc., may incur indebtedness in the amount of \$46,002, to finance, in part, the purchase price of said equipment, furniture and supplies, buildings, and inventory of tires, parts, tools and equipment.

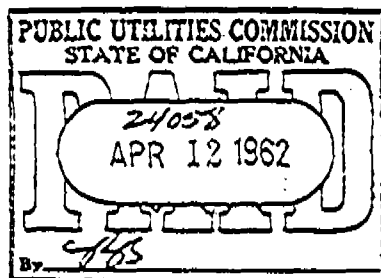
The authority herein granted to issue evidence of indebtedness will become effective when applicant has paid the fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is \$46. In other respects the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 3rd day of APRIL, 1962.

*Ewert R. Rogers*  
President

*George G. Hoover*  
*Frederick B. Helboff*

Commissioners



-4- Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.  
Commissioner C. Lyn Fox, being necessarily absent, did not participate in the disposition of this proceeding.