

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of: COLUMBIA VAN LINES, INC., a)
corporation, to sell, and of)
COLUMBIA VAN LINES, INC. OF)
CALIFORNIA, a corporation, to)
purchase, a prescriptive right)
to engage in business as a ware-)
houseman, pursuant to the pro-)
visions of Section 1052 of the)
Public Utilities Code, and for)
other relief.)

Application No. 44509

O P I N I O N

Columbia Van Lines, Inc. (Columbia) and Columbia Van Lines, Inc. of California (California) are both California corporations. Columbia is presently operating 15,000 square feet of space as a public utility warehouseman in Torrance. Over the years Columbia had acquired valuable nonutility assets chiefly in the form of real estate. It was therefore decided to organize a separate company to take over the warehouse and for-hire carrier aspects of the business. Thus California was organized. One Donald E. Rowe owns 38.5 percent of the stock of California.

By the instant application applicants seek approval of three phases of the transaction: (1) approval of the transfer from Columbia to California of a warehouse operative right for the sum of one dollar; (2) authorizing Columbia to sell the warehouse premises to Donald E. Rowe for the sum of \$314,000 to be paid \$70,000 down and the balance to be covered by a trust deed or deeds; (3) authorizing California to lease warehouse space from Donald E. Rowe (in the same building now used) for 96 cents per square foot per year. The lease will cover up to 15,000 square feet with a minimum annual rental of \$500.

The end result of these transactions will be that the old Columbia company will withdraw from the warehouse and for-hire transportation business. Donald E. Rowe will own the warehouse premises. California company will be the operating warehouse company. It is alleged by applicants that the storing public and competitive warehousemen will not be adversely affected by these transfers.

After consideration the Commission finds that the proposed transfers would not be adverse to the public interest. The authorization herein granted shall not be construed as a finding of the value of the rights, property and equipment to be transferred nor of the fair and reasonable value, for rental purposes, of the warehouse premises to be leased, nor as a determination that the amounts referred to herein will be accepted as proper basis for an order authorizing the issue of securities or the fixing of just and reasonable rates.

Columbia Van Lines, Inc. of California 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 within a particular area. 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.

A public hearing is not necessary.

O R D E R

Application having been filed and the Commission having determined that the application should be granted,

IT IS ORDERED that:

1. Columbia Van Lines, Inc., a corporation, may sell and transfer its warehouse property at 2805 Columbia Avenue, Torrance, to Donald E. Rowe, and Donald E. Rowe may purchase and acquire said property. The public utility operative property authorized to be transferred herein shall not be relieved from its dedication to the public use, anything in any lease, contract or other agreement to the contrary notwithstanding, and shall retain its status as public utility operative property as though the transfer herein had not taken place.

2. Columbia Van Lines, Inc., a corporation, may sell and transfer, and Columbia Van Lines, Inc. of California may purchase and acquire the operative rights and the remaining property referred to in the application.

3. Columbia Van Lines, Inc. of California may carry out the terms and conditions of its agreement to lease the warehouse property referred to in paragraph 1 of this order from Donald E. Rowe.

4. Within thirty days after the consummation of the transfer herein authorized, Donald E. Rowe and Columbia Van Lines, Inc. of California, a corporation, shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of the lease and the bill of sale or other instrument of transfer which may be executed to effect said transfers.

5. Applicants shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the warehouse operations here involved to show that Columbia Van Lines, Inc., a corporation, has withdrawn or canceled, and Columbia Van Lines, Inc. of California, a corporation, has adopted or established, as its own, said rates, rules and regulations. The tariff filings shall be made effective not earlier than thirty days after the effective

date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. 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.

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

Dated at San Francisco, California, this 25th day of SEPTEMBER, 1962.

George J. Hoover
President
John J. [unclear]
[unclear]
Cecil [unclear]
Frederic B. [unclear]
Commissioners