

ORIGINAL

Decision No. 65406

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MILNE TRUCK LINES, INC.,
For Approval of the Sale of its
Terminal at Los Angeles, California

Application No. 45413
Filed May 8, 1963

O P I N I O N

This is an application for an order approving a sale by Milne Truck Lines, Inc., of real property and improvements.

Applicant is a highway common carrier of general commodities in interstate commerce and in intrastate commerce. Generally, it operates between Los Angeles, Phoenix, Las Vegas, Salt Lake City and Jackson. In addition, it operates in this State between Los Angeles, on the one hand, and Needles and points intermediate to Needles and the United States Army Airport Base Hospital near Daggett, on the other hand.

The company reports that as a result of increased operations its terminals became inadequate and it concluded that the necessary expansion could be financed most advantageously by having the principal terminals transferred to a separate subsidiary corporation and thereafter leased back to the carrier. Accordingly, in 1957, applicant transferred to its subsidiary its terminal in the Los Angeles area as well as terminals at out-of-state points.

Assertedly, applicant was unaware at the time of the transfer of the necessity of first obtaining Commission authorization for the transfer of the public utility properties located in California and did not learn of such requirement until recently. It now requests the Commission to approve the 1957 transaction.

We have considered this matter and we find that the transfer of the California property was not adverse to the public interest. However, it appears to us that such transfer is void, having been made without an order of the Commission, and we are of the opinion we have no authority to approve or ratify a void act. We will enter an order authorizing the transfer of the facilities. Upon such order becoming effective, applicant should execute a new instrument conveying the property.

The order herein should not be construed to be a finding of the value of the property or of the reasonableness of the terms of the lease agreement. The property transferred to Milne Investment, Inc., is not relieved of its devotion to the public interest and its status as public utility operative property shall continue as though no transfer had taken place, anything in any contract or agreement to the contrary notwithstanding.

A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Milne Truck Lines, Inc., may transfer to Milne Investment, Inc., the Los Angeles terminal property referred to in this application.

2. This order is effective on the date hereof.

Dated at San Francisco, California,
this 21st day of MAY, 1963.

George H. Grover
President
Frederick B. Holdhoff
William W. Bennett

Commissioner Everett C. McKee, being necessarily absent, did not participate in the adoption of this Commission's