

ORIGINAL

Decision No. 69646

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 V. R. ANDERSON, an individual, dba)
 V. R. ANDERSON TRUCKING COMPANY, to)
 transfer and of ROYAL TRANSPORTATION)
 CO., INC., a corporation, to acquire)
 the certificate of public convenience)
 and necessity and certain property of)
 V. R. ANDERSON, dba V. R. ANDERSON)
 TRUCKING COMPANY.)

Application No. 47775
(Filed July 27, 1965)

OPINION AND ORDER

V. R. Anderson, an individual, doing business as V. R. Anderson Trucking (sometimes hereinafter called transferor) holds a certificate of public convenience and necessity issued in and by Decision No. 54648, dated March 12, 1957, in Application No. 35955 authorizing operations as a highway common carrier of general commodities between San Diego Territory and Los Angeles Territory. By virtue of a certificate of registration issued by the Interstate Commerce Commission in Docket No. MC-96777 (Sub. No. 1) he is authorized to engage in the transportation of property by motor vehicle in interstate commerce between said territories. He requests authority to sell said operative rights and certain motor vehicle equipment to Royal Transportation Co., Inc. (sometimes hereinafter called transferee) for the sum of \$25,750. No protests to the granting of this application have been received.

Royal has been and is now engaged in the transportation of certain limited commodities within Los Angeles Basin Territory as a highway common carrier under a certificate of public convenience and necessity acquired by it pursuant to Decision No. 60881, dated

October 18, 1960, in Application No. 42663. By virtue of a certificate of registration issued by the Interstate Commerce Commission in Docket No. MC-120764 (Sub. No. 1) it is authorized to transport property in interstate commerce within said Los Angeles Basin territory.

A purchase agreement, a copy of which is attached to the application and designated Exhibit A, was entered into by Anderson and Royal on October 30, 1964. It provides that subject to authorization being granted by the Commission and by the Interstate Commerce Commission, transferor will sell, and transferee will purchase the following for the values set forth:

1. The certificate of public convenience and necessity authorizing intrastate highway common carrier operations, \$900;
2. The certificate of registration authorizing transportation of property by motor vehicle in interstate commerce, \$100;
3. The covenant by Anderson not to compete for three years, \$5,000;
4. Motor vehicle equipment described in the agreement, \$19,750.

The agreement provides that the sale is to be consummated following the effective date of the final orders of this Commission and of the Interstate Commerce Commission, whichever shall last occur, authorizing the transfer.^{1/} Copies of financial statements of transferee are attached to the application.

After consideration we find that transferee possesses the experience, equipment, personnel and financial resources to maintain

^{1/} Applicants state that application is being made to the Interstate Commerce Commission for approval of the transaction.

the service; that the proposed transfer would not be adverse to the public interest; and that a public hearing is not necessary. We conclude that the application should be granted.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

Applicant Royal Transportation Co., 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.

IT IS ORDERED that:

1. On or before December 31, 1965, V. R. Anderson may sell and transfer, and Royal Transportation Co., Inc., a corporation, may purchase and acquire, the operative rights and property referred to in the application.
2. Within thirty days after the consummation of the transfer herein authorized, Royal Transportation Co., Inc. 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. Royal Transportation Co., Inc. shall amend or reissue the tariffs on file with the Commission, naming rates, rules and regulations governing the common carrier operations herein to show that it

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. 80-A.

4. On or before the end of the third month after the consummation of the transfer as herein authorized, Royal Transportation Co., Inc. shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the seller for the period commencing with the first day of the current fiscal year to and including the effective date of the transfer.

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

Dated at San Francisco, California, this 8th day of SEPTEMBER, 1965.

Fredrick B. Hallock
President

John C. [unclear]

George T. Trover

[unclear]

[unclear]
Commissioners