

**ORIGINAL**

Decision No. 75688

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of NAVAJO FREIGHT LINES, INC., a  
corporation, for authority to  
acquire operating authority of  
ARTHUR R. FAUGHN, dba FAUGHN'S  
TRANSPORTATION.

Application No. 50978  
(Filed March 31, 1969)

O P I N I O N

Arthur R. Faughn requests authority to sell and transfer, and Navajo Freight Lines, Inc., requests authority to purchase and acquire, a certificate of public convenience and necessity authorizing operations as a highway common carrier. Pending final order of this Commission and of the Interstate Commerce Commission, relating to the transfer of a corresponding certificate of registration, it is requested that Navajo Freight Lines, Inc., be authorized to lease and operate said authority for a monthly consideration of \$100.

The certificate was granted by Decision No. 61441, dated February 7, 1961, in Application No. 42722 and authorizes the transportation of general commodities between the San Francisco Territory, Fresno, Sacramento, Stockton, Tracy, Lodi, Los Banos and intermediate points. The agreed cash consideration for the intrastate and interstate authorities is \$75,000.

Applicant purchaser is an interstate carrier and the parent company of San Leandro Freight Lines, which operates between points within the State of California pursuant to authority duly issued by this Commission. As of October 5, 1968, applicant purchaser indicated a net worth in the amount of \$10,357,318.

It is alleged that because of illness in the family applicant seller is unable to continue operations.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest. Because the transfer falls within the provisions of Section 5 of the Interstate Commerce Act the transfer herein authorized will be made subject to the final approval of the Interstate Commerce Commission. A public hearing is not necessary

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

Navajo Freight Lines, 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.

O R D E R

IT IS ORDERED that:

1. Upon the final approval of the Interstate Commerce Commission, Arthur R. Faughn may sell and transfer, and Navajo Freight Lines, Inc., a corporation, may purchase and acquire, the operative rights referred to in the application.

2. Within thirty days after the consummation of the transfer herein authorized, purchaser 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. Purchaser shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. 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. Failure to comply with and observe the provisions of General Order No. 80-A may result in a cancellation of the operating authority granted by this decision.

4. On or before the end of the third month after the consummation of the transfer as herein authorized, purchaser 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 year to and including the effective date of the transfer.

5. Within thirty days after the effective date hereof, purchaser shall file a written acceptance of the certificate, the transfer of which is herein authorized. Purchaser is placed on notice that, if it accepts such certificate, it will be required, among other things, to comply with and observe the safety rules of the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-E.

6. Purchaser shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this

Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

7. Pending final approval of the Interstate Commerce Commission applicants may execute the lease agreement heretofore referred to.

8. After the effective date hereof and on not less than ten days' notice to the Commission and to the public, applicants shall amend the tariffs presently on file with the Commission in the name of Arthur R. Faughn to reflect the lease operation herein authorized.

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

Dated at San Francisco, California, this 20<sup>th</sup> day of MAY, 1969.

William J. ...  
President  
Augustine ...  
Richard R. ...  
...  
...  
Commissioners