



Glen Ellen, Kenwood, Annadel and Melitta. No package or excess baggage rates were shown in C.R.C. No.1 and there is no record of the Commission ever having authorized Dunham to transport property between Napa and Santa Rosa. Package and excess baggage rates appear for the first time in C.R.C. No.4, issued by Dunham on August 15, 1921, and effective August 17, 1921. In view of this record the order herein will authorize the transfer of an operating right limited to passengers and hand baggage.

Dunham did have the right to transport packages and baggage between Santa Rosa and Healdsburg, which right he transferred to West Coast Transit Company (Application 11017). The right was subsequently sold by the West Coast Company to Pickwick Stages System.

We are of the opinion that this is a matter in which a public hearing is not necessary and that the application should be granted.

Southern Pacific Motor Transport Company is hereby placed upon notice that "Operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given. The Commission at the early stages of the development of this kind of transportation should be extremely careful not to lend encouragement to the idea that these rights possess a substantial element of value, either for rate fixing or capitalization.

IT IS HEREBY ORDERED that the above entitled application be and the same hereby is granted, subject to the following conditions:

1- The consideration to be paid for the property herein authorized to be transferred shall never be urged before this Commission or any other rate fixing body as a measure of value of said property for rate fixing, or any purpose other than the transfer herein authorized.

2- Applicant Emma D. Dunham, as Administratrix of the Estate of A. Dunham, shall immediately unite with applicant Southern Pacific Motor Transport Company in common supplement to the tariffs on file with the Commission covering service between Napa and Santa Rosa, applicant Emma D. Dunham as Administratrix on the one hand withdrawing, and applicant Southern Pacific Motor Transport Company on the other hand accepting and establishing such tariffs, and all effective supplements thereto, save and except that part of the Dunham tariff showing rates for the transportation of packages and excess baggage between Napa and Santa Rosa.

3- Applicant Emma D. Dunham, as Administratrix, shall immediately withdraw time schedules in the name of A. Dunham covering service between Napa and Santa Rosa filed with the Railroad Commission, and applicant Southern Pacific Motor Transport Company shall immediately file, in duplicate, in its own name, time schedules covering service heretofore given by A. Dunham between Napa and Santa Rosa, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of A. Dunham or time schedules satisfactory to the Railroad Commission.

4- The rights and privileges herein authorized may not be sold, leased, transferred nor assigned, nor service thereunder discontinued, unless the written consent of the Railroad Commission to such sale, lease, transfer, assignment or discontinuance has first been secured.

5- No vehicle may be operated by applicant Southern Pacific Motor Transport Company unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 23<sup>rd</sup> day of December, 1927.

Emma D. Dunham  
Leon C. Whittell  
Thos. B. Rautist  
W. J. C.  
COMMISSIONERS.