

Decision No. 19404**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 WESLEY E. PFOST to sell, and  
 G. E. COVINGTON to purchase an  
 automobile freight line operated between  
 Blythe and Palo Verde, California.

)  
 )  
 ) Application  
 ) No. 14425  
 )

BY THE COMMISSION -

OPINION and ORDER

Wesley E. Pfost has applied to the Railroad Commission for an order approving the sale and transfer by him to G.E. Covington of an operating right for an automotive service for the transportation of property between Blythe and Palo Verde, and G. E. Covington has applied for authority to purchase and acquire said operating right and to hereafter operate thereunder.

The consideration to be paid for the property herein proposed to be transferred is given as \$600. Of this sum \$500 is said to represent the value of certain equipment and \$100 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was originally granted to Silas J. Bivins, the Railroad Commission, in its Decision No. 17590, dated November 10, 1926, and issued on Application No. 12970, authorizing Bivins to operate an automotive trucking service between Blythe and Palo Verde and intermediate points, Ripley being shown as an intermediate point.

On June 1, 1927, the Commission, by its Decision No. 18452, issued on Application No. 13810, authorized Bivins to transfer the operating right to Wesley H. Pfost, one of the applicants herein.

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.

G. E. Covington, the purchaser, 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.

IT IS HEREBY ORDERED that the above entitled application be, and the same is hereby 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 Pfost shall immediately unite with applicant Covington in common supplement to the tariffs on file with the Commission, applicant Pfost on the one hand withdrawing, and applicant Covington on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Pfost shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Covington shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Pfost, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Pfost, 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 Covington unless such vehicle is owned by said applicant or is leased by him under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 21<sup>st</sup> day of February, 1923.

*Leon Whitehall*  
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*Edward J. ...*  
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*M. J. ...*  
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COMMISSIONERS