

Decision No. 19550

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 C. E. DUCRET to sell passenger and)
 mail line operated between GILROY)
 and GILROY HOT SPRINGS, CALIFORNIA.)

Application No. 14533

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

C. E. Ducret has petitioned the Railroad Commission for an order authorizing the sale and transfer by him to A. A. Crabb of an operating right for an automotive passenger stage service for the transportation of passengers and property between Gilroy and Gilroy Hot Springs, and A. A. Crabb has asked for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement of sale, a copy of which, marked Exhibit "A", is attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred is given as \$1500, of which sum \$1000 is declared to be the value of certain equipment. The balance, \$500, is declared to be the value of intangibles.

The operating right herein proposed to be transferred was originally granted to Vic Poncelet in Railroad Commission Decision No. 10973, dated September 7, 1922, and issued on Application No. 7990. The right authorizes the transportation of passengers and express between Gilroy and Gilroy Hot Springs and intermediate points. By Decision No. 12110, dated May 18, 1923, and issued on Application No. 9011, the Commission authorized Poncelet to transfer the right to E. D. Soward. The last named was authorized by Decision No. 14110, dated September 27, 1924, and issued on Application No. 10482, to transfer the right to C. E. Ducret, 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.

A. A. Crabb 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 C. E. Ducret shall immediately unite with applicant A.A.Crabb in common supplement to the tariffs on file with the Commission, applicant Ducret on the one hand withdrawing, and applicant Crabb on the other hand accepting and establishing such tariffs and all effective supplement thereto.

3- Applicant Ducret shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Crabb shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Ducret, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Ducret 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 Crabb 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 7th day of ^{April} ~~March~~, 1928.

Leon A. Whittell
C. E. Ducret
Wm. J. Crabb
W. J. Crabb
W. J. Crabb
COMMISSIONERS.