

Decision No. 19781

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 O. J. BLAKESLEY to sell, and
 JOSEPH PERUMEAN & COMPANY to purchase
 an automobile truck service for the
 hauling of certain commodities between
 Rivera, Los Nietos, Santa Fe Springs,
 Laguna, Cudahy, Bell and Los Angeles,
 California.)
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)
) Application No. 14669
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)

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

O.J.Blakesley has petitioned the Railroad Commission for an order approving the sale and transfer by him to Joseph Perumean & Company, a partnership consisting of Tom Kardashian, Joe Perumean and S.J.Stratton, of an operating right for an auto trucking service between Rivera, Los Nietos, Santa Fe Springs, Laguna, Cudahy, Bell and Los Angeles, and Joseph Perumean & Company, a partnership, 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 marked Exhibit "A", a copy of which 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 \$4000. Of this sum \$3000 is declared by applicants to be the value of certain equipment and \$1000 is said to represent the value of intangibles.

The operating right herein proposed to be transferred was granted to O.J.Blakesley by the Railroad Commission in its Decision No.15535, dated October 17, 1925, and issued on Application No.11239. The right authorizes operation of an auto trucking service

"for the transportation of milk and other dairy products between the Rivera, Los Nietos, Santa Fe Springs, Cudahy and Bell districts, and the city of Los Angeles and the city of Huntington Park, and for a return haul of feed and dairy supplies to the ranches served by applicant, over and along the following route:

"Starting from Belvedere, going east on Telegraph Road to Bandini, from Bandini east on Telegraph Road to the junction of Rivera and Barlow Road; thence north to Rivera to first pick-up, half-mile west of Rivera; returning to Rivera and Barlow Road, going one mile north on same road to second pick-up half-mile west of said road; return, going south on Rivera and Barlow Road to Rivera, thence east on River Road along the Santa Fe railroad to one mile east of Los Nietos, south on road (no name) to Telegraph Road; east on Telegraph Road one and one-half miles. Return, going west on Telegraph Road to junction of Bell and Tweedy Road, thence south on Bell and Tweedy Road to junction of Munt's Crossing road, now called Clara Street; west on Clara Street to Wilcox Avenue, south on Wilcox Avenue to Ann Street; return, going north on Wilcox Avenue to Florence Avenue, thence west on Florence Avenue, through Huntington Park to Santa Fe Avenue, thence north on Santa Fe Avenue to 38th Street in Vernon, west on 38th Street to Alameda Street in Los Angeles, to Towne Avenue, to destination;

Provided, that no service is authorized under this routing west or north of the junction of Bandini and Telegraph Roads;"

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, with the understanding, however, that the order herein conveys no authority to Joseph Perumean & Company to merge or consolidate the Blakesley right with the existing rights of Joseph Perumean & Company.

Joseph Perumean & Company, a co-partnership, 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 O. J. Blakesley shall immediately unite with applicant Joseph Perumean & Company in common supplement to the tariffs on file with the Commission, applicant Blakesley on the one hand withdrawing, and applicant Joseph Perumean & Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant O. J. Blakesley shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicant Joseph Perumean & Company shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Blakesley, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Blakesley, 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 Joseph Perumean & 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 11th day of May,

1928.

Leon Whittell
Chairman
Paul J. Smith
W. J. Cunniff
COMMISSIONERS.