

Decision No. 19774

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Messrs. Benedict and Moorman, doing business
 under the name of Benedict & Moorman, and
 Frank J. Dresman, doing business under the
 fictitious name of the Huntington Park and
 Los Angeles Transfer, to sell, and John W.
 Shepherd and Miss Ethel Riddle, to purchase
 automobile truck lines.)
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)
)
) Application
) No. 14618
)
)

BY THE COMMISSION -

OPINION and ORDER**ORIGINAL**

In this proceeding O. R. Benedict and H. E. Moorman, co-partners, operators of an auto trucking service between Los Angeles and Huntington Park, and Frank J. Dresman, operator of a similar service between Los Angeles and Huntington Park and intermediate points, have asked for an order of the Railroad Commission approving the sale and transfer by them to J. W. Shepherd and Ethel Riddle, co-partners, of the two operating rights as above described, and J. W. Shepherd and Ethel Riddle ask for authority to purchase and acquire the rights, to consolidate them into one right and to operate under the consolidated right under the fictitious name of Huntington Park and Los Angeles Transfer. The sale and transfer is to be in accordance with agreements of sale marked Exhibits "A" and "B", copies of which are attached to the application herein and made a part thereof.

The consideration to be paid for the property herein proposed to be transferred by applicants Benedict and Moorman is given as \$3000 of which sum \$2250 is declared to represent the value of equipment and \$750 is said to be the value of intangibles. The consideration to be paid for the Dresman right is given as \$3000; a value of \$500 being claimed for intangibles, the balance, \$2500, representing the value of equipment.

Each of the operating rights was established through proper tariff filing showing operation prior to May 1, 1917.

C. R. C. No.1 of Benedict & Moorman shows service for the transportation of freight between Los Angeles and Huntington Park, no service to intermediate points being indicated. C.R.C. No.1 of Frank J. Dresman shows service for the transportation of freight between Los Angeles and Huntington Park and intermediate points. The intermediate points are shown as Vernon, Bell, Florence, Graham Station, Meremonte, Watts, Cudahy Ranch, Walnut Park, Fruitland and South Gate Gardens. The tariff also contains a provision that rates to points intermediate are not to exceed the rates to the place "next beyond on direct route." The consolidated right will, therefore, give to the new owners the right to transport freight between Los Angeles and Huntington Park and all intermediate points along the route indicated, by the points named in C.R.C. No.1 of Frank J. Dresman.

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.

John W. Shepherd and Ethel Riddle are 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- Applicants Benedict and Moorman shall immediately unite with applicants Shepherd and Riddle in common supplement to the tariffs on file with the Commission, applicants Benedict and Mooreman on the one hand withdrawing, and applicants Shepherd and Riddle on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants Benedict and Moorman shall immediately withdraw time schedules filed in their names with the Railroad Commission, and applicants Shepherd and Riddle shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicants Benedict and Moorman, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of Benedict and Moorman, or time schedules satisfactory to the Railroad Commission.

4- Applicant Frank J. Dresman shall immediately unite with applicants Shepherd and Riddle in common supplement to the tariffs on file with the Commission, applicant Frank J. Dresman on the one hand withdrawing, and applicants Shepherd and Riddle on the other hand accepting and establishing such tariffs and all effective supplements thereto.

5- Applicant Frank J. Dresman shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicants Shepherd and Riddle shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicant Frank J. Dresman, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Frank J. Dresman, or time schedules satisfactory to the Railroad Commission.

6- 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.

7- No vehicle may be operated by applicants Shepherd and Riddle unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 17th day of May,
1928.

Leon Whitell
Clarence
Thos. D. Lott
M. M. M.
COMMISSIONERS.