

Decision No. 19808**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAROP MEKETAROFF and M. ALEX to sell,)
 and BOB ARUTOFF to purchase an automobile)
 freight line operated between Los Angeles) Application
 and Athens, Gardena, Rosecrans and) No. 14715
 Wilmington and adjacent territory (milk)
 route).)

BY THE COMMISSION -

OPINION and ORDER

Sarop Meketaroff and M. Alex, co-partners, have petitioned the Railroad Commission for an order approving the sale and transfer by them to Bob Arutoff of operating rights for an automotive milk transportation service between dairy ranches located in the vicinity of Athens, Gardena, Rosecrans and Wilmington and creameries in Los Angeles, and Bob Arutoff has asked for authority to purchase and acquire said operating rights and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, 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 \$2200, all of which sum is said to represent the value of equipment, no value being claimed for intangibles.

The operating rights herein proposed to be transferred were originally granted by Decisions No. 15459 and 17889 issued respectively on Applications No. 11266 and 13374, to applicant Arutoff, who, by Railroad Commission Decision No. 18233, dated April 14, 1927, and issued on Application No. 13568, was authorized to transfer them to Meketaroff and Alex. By this proceeding Arutoff seeks to repossess the rights. The records of the Commission show that the operating rights involved are as follows:

In Decision No.15459 the Commission authorized Arutoff to operate a service for the transportation of

"milk to Los Angeles from dairy ranches in the vicinity of Athens and Rosecrans, and for no other purpose, over and along the following route:

Leave Los Angeles via South Main Street to Rosecrans Avenue, thence west to Arlington Street, thence south to Olive Avenue, thence west to Perry Station, thence east on Electric Street to Cypress Avenue, thence north to Strawberry Street, thence east to Arlington Street, thence south to Electric Street, thence east to Normandie Avenue, thence west on Electric Street to Western Avenue, thence north to San Pedro Street, thence east to Normandie Avenue, thence south to Wilmington Street, thence east to Figueroa Street, thence south to Walnut Street, thence east to Main Street, thence north to 157th Street, thence west to Vermont Avenue, thence north to Olive Avenue, thence east to Main Street, thence north to Compton and Santa Monica Road, thence east to South Park Avenue, thence north to 128th Street, thence east to Central Avenue, thence west on 128th Street to South Park Avenue, thence north to 122nd Street, thence west to Main Street, thence north to Los Angeles dairies.

Said route to include all dairy ranches within the boundaries of said route, and within one-half mile outside of said boundaries, excepting, however, the territory east of Figueroa Street and south of 182nd Street (Walnut Street), as shown on the outline map attached to the application, marked Amendment to Exhibit "B".

In Decision No.17889 the Commission authorized Arutoff to operate a freight truck service for the transportation of

"milk and other dairy products between the city of Los Angeles and certain points in and about the Wilmington district of Los Angeles, as an extension and enlargement of his present authorized service over and along the following route:

Beginning at Wilmington Boulevard (Main Street) and I Street (Wilmington), north on Wilmington Boulevard to 183rd Street, west to Figueroa Street, north to 182nd Street, east to Main Street, north to 165th Street, west to Vermont Avenue, north to Redondo-Compton Boulevard, east to South Park Avenue, North to Los Angeles, said route to include all dairy ranches within the boundaries of said route and within one-half mile outside of said boundaries, provided, however, that no additional service may be given by applicant north of 182nd Street except as heretofore authorized by Decision No.15459 on Application No.11266."

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.

Bob Arutoff 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- Applicants Meketaroff and Alex shall immediately unite with applicant Arutoff in common supplement to the tariffs on file with the Commission, applicants Meketaroff and Alex on the one hand withdrawing, and applicant Arutoff on the other hand accepting and establishing such tariffs and all effective supplements thereto.
- 3- Applicants Meketaroff and Alex shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicant Arutoff shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Meketaroff and Alex, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Meketaroff and Alex, 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 Arutoff 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 24th day of May, 1928.

Leon Whitall
Chairman
Thomas J. Stewart
Commissioner
COMMISSIONERS.