

Decision No. 13923

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of ( )  
 C. F. HAGUEWOOD to sell, and )  
 F. J. RICE to purchase, an automobile )  
 passenger line operated between ) Application No. 14797  
 Whittier Blvd. and First and Rowan )  
 Streets, in the County of Los Angeles. )

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

C. F. Haguewood has applied to the Railroad Commission for an order approving the sale and transfer by him to F. J. Rice, his partner, of his one-half interest in certain operating rights for an automotive passenger stage service, and F. J. Rice has asked for authority to purchase and acquire the interest of his partner, Haguewood, and to hereafter operate said stage service as sole owner, 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 \$1750 in cash and the assumption by Rice of the debts of the partnership. The property proposed to be transferred, in addition to intangibles, consists of equipment and certain pieces of real estate.

The operating rights, a one-half interest in which is herein proposed to be transferred, are as follows:

Passenger bus line "between the terminus of the Stephenson Avenue car line of the Los Angeles Railway just west of Pasadena Avenue at its junction with Whittier Boulevard and the new townsite of Bandini, a distance of 2 1/2 miles approximately," originally granted to W.R. Webb by Railroad Commission Decision No. 13978, dated August 27, 1924, and issued on Application No. 10230:

This right was transferred to Glenn W. Barnes on June 25, 1925, the Commission approving by Decision No. 15106, issued on Application No. 11241. On March 14, 1927, by Decision No. 18069, issued on

Application No.13535, the Commission approved its transfer to Haguewood & Adams.

Passenger bus line "between the terminals of the Stephenson Avenue car line on Whittier Boulevard and the terminals of the Los Angeles Railway at First and Rowan Streets over and along the following route:"

"Beginning at a point at the end of the Stephenson Ave. car line on Whittier Blvd., going east on Whittier Blvd. to Ford St.; thence North on Ford St., to Eugene St.; thence West to Mountain View; thence North to Grand View; thence West to Sunol or Brannick St.; thence South to Third St.; thence West to Rowan Ave.; thence North to First St.; thence East to Hollenbeck St.; thence South to Third Street; thence East over the same route to point of beginning."

This right was granted to C. F. Haguewood and T. H. Adams by Railroad Commission Decision No.12693, dated October 13, 1923, and issued on Application No.9218. By Decision No.19509, dated March 21, 1928, and issued on Application No.14435, the Commission approved the transfer to Rice of Adams' one-half interest in the above rights. By the instant proceeding Rice becomes the sole owner.

No authority to link up or join the two rights herein described has been granted and the order herein is not to be construed as authority to link up or join them.

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. F. J. Rice 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 Haguewood and Rice, co-partners, shall immediately unite with applicant Rice, in common supplement to the tariffs on file with the Commission, applicants Haguewood and Rice on the one hand withdrawing, and applicant Rice on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants Haguewood and Rice shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicant Rice shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Haguewood and Rice, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Haguewood and Rice, 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 Rice 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 25<sup>th</sup> day of June, 1928.

Leon Whitehall  
E. Seavey  
Wm. J. C. ...  
W. J. C. ...  
W. J. C. ...  
COMMISSIONERS.