

Decision No. 19962

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 L. IRELAND, for permission to sell and )  
 transfer, and GEORGE G. HARM and )  
 HAROLD B. FRASHER to purchase and acquire, )  
 the right of said L. Ireland to operate ) Application  
 an auto-truck line as a common carrier of ) No. 14826  
 property, for compensation, over the )  
 public highway between Madera, Madera County, )  
 California, and Fresno, Fresno County, )  
 California, and intermediate points. )

BY THE COMMISSION -

OPINION and ORDER

**ORIGINAL**

L. Ireland has petitioned the Railroad Commission for an order approving the sale and transfer by him to George G. Harm and Harold B. Frasher, co-partners, of an operating right for an automobile service for the transportation of property between Madera and Fresno and intermediate points, and George G. Harm and Harold B. Frasher, co-partners, have asked for authority to purchase and acquire said operating right and to hereafter operate thereunder, the sale and transfer to be in accordance with the terms set forth in the application herein.

The consideration to be paid for the property herein proposed to be transferred is given as \$4000. This sum is said to represent the value of intangibles and certain equipment.

The operating right herein proposed to be transferred was established by applicant Ireland through operation prior to May 1, 1917, and the proper filing of tariffs and time schedules showing service between Fresno and Madera and intermediate points.

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.

George G. Harm and Harold B. Frasher 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 order herein shall not be construed as authorization for Harm & Frasher to link up or join the operating right herein transferred with operating rights now owned by them.

2- 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.

3- Applicant Ireland shall immediately unite with applicants Harm & Frasher in common supplement to the tariffs on file with the Commission, applicant Ireland on the one hand withdrawing, and applicants Harm & Frasher on the other hand accepting and establishing such tariffs and all effective supplements thereto.

4- Applicant Ireland shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicants Harm & Frasher shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicant Ireland, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Ireland, or time schedules satisfactory to the Railroad Commission.

5- 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.

6- No vehicle may be operated by applicants Harm & Frasher 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.

7- This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act and the Auto Stage and Truck Transportation Act on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.

Dated at San Francisco, California, this 29<sup>th</sup> day of June, 1928.

Fee # 25.00

RAILROAD COMMISSION  
STATE OF CALIFORNIA

2 1928

*[Signature]*

Fee # 25.00

*[Signature]*  
*[Signature]*  
*[Signature]*  
COMMISSIONERS.