

Decision No. 18965

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 GEORGE S. JONES COMPANY to sell and
 SOUTHERN PACIFIC MOTOR TRANSPORT
 COMPANY to buy that certain auto
 stage line now operating between
 Petaluma and Boyes Springs, together
 with equipment, etc.

ORIGINAL

Application No. 14833

BY THE COMMISSION -

OPINION and ORDER

George S. Jones Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Southern Pacific Motor Transport Company, also a corporation, of an operating right for an automotive service for the transportation of passengers and their baggage between Petaluma and Boyes Springs and intermediate points, and Southern Pacific Motor Transport Company 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, 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 \$1500. Of this sum applicants declare that approximately \$500 represents the value of certain equipment, the balance representing the value of intangibles.

The operating right herein proposed to be transferred was originally granted to George S. Jones, an individual, by Railroad Commission Decision No. 9484, dated September 8, 1921, and issued on Application No. 6836, said decision authorizing operation of an

"automobile stage line as a common carrier of passengers between Petaluma and Boyes Springs, via Lakeville and Sonoma and serving as an intermediate point the community of Shellville."

Time schedules and tariffs filed with Application No. 6836 show service between Petaluma, Lakeville, Shellville, Sonoma and Boyes Springs. By Decision No. 10252, dated March 27, 1922, and issued on Application No. 7620, Jones was authorized to transfer the operating right granted by Decision No. 9484 to the George S. Jones Company, a corporation. By Decision No. 19109, dated December 8, 1927, and issued on Application No. 14192, the George S. Jones Company was authorized to

"discontinue the operation of its auto stage line as a common carrier of passengers between Petaluma and Boyes Springs and intermediate points during the period October 1st to March 31st of each year, such authority to continue until otherwise ordered by this Commission."

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 shall not be construed as authorizing applicant Southern Pacific Motor Transport Company to link up or join the operating right herein transferred with other rights owned by it.

Southern Pacific Motor Transport Company, a corporation, 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 George S. Jones Company shall immediately unite with applicant S. P. Motor Transport Company in common supplement to the tariffs on file with the Commission, applicant G. S. Jones Company on the one hand withdrawing, and applicant Southern Pacific Motor Transport Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant George S. Jones Company shall immediately withdraw time schedules filed in its name with the Railroad Commission, and applicant Southern Pacific Motor Transport Company shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant George S. Jones Company, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant George S. Jones Company, 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 Southern Pacific Motor Transport 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 29th day of

June, 1928.

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COMMISSIONERS.