

Decision No. 20079

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)	
of WILLIAM FRICKINGER to sell and)	
LEE REID to purchase an automobile)	
freight-line operated between Red-)	APPLICATION NO. 14541.
ding, Shasta County, and Pittville,)	
Shasta County, California.)	

Arthur M. Dean, for Applicants.

BY THE COMMISSION:

O P I N I O N

ORIGINAL

In the above entitled application William Frickinger seeks authority to sell, and Lee Reid authority to purchase, certificate held by Frickinger for the operation of an automobile freight line between Redding and Pittville and intermediate points. Both parties joined in the application.

A public hearing herein was conducted by Examiner Williams at Redding, at which time the matter was submitted and now is ready for decision.

The consideration to be paid for the property herein proposed to be transferred is given as \$4000, of which amount \$1512 is said to represent the value of certain equipment and \$2488 is said to represent the value of intangibles.

The records of the Commission show that by Decision No. 14113, dated October 1, 1924, and issued on Application No. 9961, Arthur H. Garrison was authorized to establish an auto trucking service for the transportation of freight, as a common carrier,

between Redding and Pittville, serving Ingot, Round Mountain, Montgomery Creek, Burney, Cassell, Fall River Mills, Glenburn, McArthur and intermediate points. By Decision No. 16894, dated June 11, 1926, and issued on Application No. 12896, Garrison was authorized to transfer the operating right granted by Decision No. 14113 to William Frickinger, one of the applicants herein.

Frickinger testified that in purchasing the line from Arthur E. Garrison, he paid approximately \$6,000, although the application at that time gave the consideration as \$3,000. He explained that at the time he had assumed the \$3,000 purchase price, he had also taken over a truck on which there was an obligation of \$2,800, and some other items representing an additional \$200. In the present instance he held that he was selling at a loss, not only over his purchase price, but was foregoing a business paying approximately \$500 a month profit, in order to remove to Southern California, where he could take care of his aged mother. In addition to the public utility service conducted by Frickinger under his certificate, he also conducted a private trucking business. He said he was under agreement with the purchaser to pay State taxes amounting to \$189.00, which sum was to be deducted from the purchase price.

The purchaser, Lee Reid, has been in the trucking business in Redding for a number of years. He testified that he possesses a house valued at \$4,000 with an encumbrance of \$1,000, and has approximately \$1,800 in bank. The \$4,000 is to be paid by a payment of \$1,200 down, the assumption of \$1,288 represented by a note payable to Frickinger, bearing 7 per cent interest, for a period of one year, and the assump-

tion of \$1512 due on a truck, which is payable at the rate of \$75.00 a month on a contract covering a period of eighteen months.

While no statement of revenue or expense was submitted by applicant Frickinger, his testimony was that the business earned close to \$500 monthly, and we believe this established business, together with the apparent ability of Reid to conduct the business efficiently and to meet the obligations imposed upon him, from his own resources or from the profits, justifies the approval of the transfer as contracted. An order to that effect will be entered.

Lee Reid 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^{as} to the number of rights which may be given.

O R D E R

William Frickinger having made application to the Railroad Commission for authority to sell and transfer his certificate for the operation of a freight transportation automobile line between Redding and Pittville and intermediate points, as fixed by Decision No. 16894 on Application No. 12896, dated June 11, 1926, to Lee Reid, who joins in the application, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

IT IS HEREBY ORDERED that the application herein be and the same hereby is 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 for any purpose other than the transfer herein authorized.
2. Applicant Frickinger shall immediately withdraw tariff of rates and time schedules on file with this Commission, covering service, certificate for which is herein authorized to be transferred, such withdrawal to be in accordance with the provisions of General Order No. 20.
3. Applicant Lee Reid shall immediately file, in duplicate, his tariff of rates and time schedules covering service heretofore given by applicant Frickinger, which rates and time schedules shall be identical with the rates and time schedules now on file with the Railroad Commission in the name of applicant Frickinger, or rates and schedules satisfactory in form and substance 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 Reid 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.
6. The authority herein granted shall become effective when Lee Reid has paid the minimum fee prescribed by Section 6 of the Auto Stage and Truck Transportation Act, as amended, which minimum fee is \$25.00.

Dated at San Francisco, California, this 2nd day of

August, 1928.

Chas. J. ...

Thos. D. ...

W. H. ...
COMMISSIONERS.

Fee \$ 25.00
H. M. ...
Fee # 25.00