

Decision No. 20113

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 Chas. E. Sansome to sell and Paul Derkum  
 to purchase an automobile passenger  
 and express line operating between  
 Bakersfield, California, and Santa  
 Maria, California.

)  
 )  
 ) Application No. 14357  
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 )

**ORIGINAL**

BY THE COMMISSION:--

OPINION AND ORDER

Charles E. Sansome has applied to the Railroad Commission for an order approving the sale and transfer by him to Paul Derkum, his partner, of his one-half interest in an operating right for an automotive passenger and express service between Bakersfield and Santa Maria, and Paul Derkum has asked for authority to purchase and acquire said one-half interest and to hereafter operate the service as sole owner, the sale and transfer to be in accordance with the terms of an agreement set forth in the application.

No cash consideration is involved.

The operating right, a one-half interest in which is herein proposed to be transferred was granted to Derkum and Sansome by the Railroad Commission in its Decision No. 19626, as modified by Decision No. 19727, both decisions being issued on Application No. 14359. The right authorizes operation of an automotive passenger and express service (express limited to packages weighing not more than 100 pounds) between

"Santa Maria and Bakersfield, via Maricopa, and all intermediates, provided, however, that neither passengers nor express may be transported to or from any point intermediate to Bakersfield and Conner's Station, nor between Bakersfield and Maricopa, over and along the following route:

West on Nineteenth Street, south on Oak Street, west on Panama-Greenfield road to Old River, south on Conner's Road and west on Maricopa Flat road to Maricopa, thence west on the State Highway via Cuyama to Santa Maria."

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 this order shall not be construed as authorization for Paul Derkum to link up or join the operating right herein described with other rights now owned by him.

Paul Derkum 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 Charles E. Sansome and Paul Derkum shall immediately file supplement to the tariffs and time schedules on file with the Commission in the name of Derkum and Sansome cancelling said tariffs and time schedules and Paul Derkum shall immediately file tariffs and time schedules identical with those now on file in the name of Sansome and Derkum, or tariffs and time schedules satisfactory to the Railroad Commission.

3- 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.

4- No vehicle may be operated by applicant Paul Derkum 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  
15<sup>th</sup> day of August, 1928.

Leon O. Whaley  
C. C. Seaver

Frank S. Smith

W. H. ...  
COMMISSIONERS.