

Decision No. 20246

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
W. H. GOFORTH to sell, and E.H.McCLURE)
to purchase an automobile (passenger of) Application
freight line) operated between Covelo) No.15020
and Dos Rios, California.)

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

W. H. Goforth has applied to the Railroad Commission for an order approving the sale and transfer by him to E. H. Mc Clure of an operating right for an automotive service for the transportation of persons and property between Covelo and Dos Rios and intermediate points and E. H. Mc Clure 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 of sale, a copy of which, marked Exhibit "A", 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 \$2000, all of which sum is said to represent the value of intangibles.

The operating right herein proposed to be transferred was established by applicant Goforth through operation prior to May 1, 1917, his tariffs showing service for the transportation of passengers and freight between Covelo and Dos Rios 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.

E. H. Mc Clure 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 W. H. Goforth shall immediately unite with applicant E. H. Mc Clure in common supplement to the tariffs on file with the Commission, applicant Goforth on the one hand withdrawing, and applicant Mc Clure on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Goforth shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Mc Clure shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Goforth, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Goforth, 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 Mc Clure 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 21st day of

September, 1928.

Leon C. Whittell
Chairman
Commissioners
San Francisco

COMMISSIONERS.