

Decision No. 20250

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of )  
 P. E. TIBBETTS to sell and ORIN SCRANTON )  
 to purchase an automobile freight line )  
 operated between poultry ranches in ) Application  
 vicinity of San Jacinto, Hemet, Winchester, ) No. 14960  
 Ethanac, Perris, Tumbach Ranch on Box Springs )  
 Grade, also West Riverside and Los Angeles. )

BY THE COMMISSION -

OPINION and ORDER

P. E. Tibbetts has petitioned the Railroad Commission for an order approving the sale and transfer by him to Orin Scranton of an operating right for an automotive trucking service between San Jacinto and other points and Los Angeles, and Orin Scranton 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 \$500, all of which sum is said to represent the value of intangibles.

The operating right herein proposed to be transferred was granted to W. I. Miller by the Railroad Commission in Decision No. 16136, dated March 11, 1926, and issued on Application No. 11365. It authorizes Miller to transport

\*\* eggs from San Jacinto, Hemet, Winchester, Ethanac, Perris, West Riverside, on the one hand, and Los Angeles, on the other hand; and  
 \*\*\* poultry feed and poultry supplies from Los Angeles, on the one hand, to West Riverside, Perris, Ethanac, Winchester, Hemet and San Jacinto, on the other hand; PROVIDED such commodities are destined and consigned only to any ranch or ranches from which eggs have been theretofore transported by applicant.

The Railroad Commission, by Decision No.17214, dated August 13, 1926, and issued on Application No.13062, authorized Miller to sell and transfer the right to P. E. Tibbetts, one of the applicants herein.

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.

Orin Scranton 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 P. E. Tibbetts shall immediately unite with applicant Orin Scranton in common supplement to the tariffs on file with the Commission, applicant Tibbetts on the one hand withdrawing, and applicant Scranton on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Tibbetts shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Scranton shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Tibbetts, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Tibbetts 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 Scranton 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 21<sup>st</sup> day of September, 1928.

Leon Corbett

Albany

Ernest

Shas & Louisa

COMMISSIONERS.