

Decision No. 20450

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 DAVID E. COVEY to sell, and C.A. WINEGAR
 to purchase an automobile passenger and
 freight line operated between Redding
 and Fern, Shasta County, California.)
) Application
) No. 15108
)

BY THE COMMISSION -

OPINION and ORDER

David E. Covey has applied to the Railroad Commission for an order approving the sale and transfer by him to C. A. Winegar of an operating right for an automotive service for the transportation of persons and property between Redding and Fern, and C. A. Winegar 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, 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 \$275, all of which sum is declared by applicants to be the value of intangibles.

The operating right herein proposed to be transferred was granted to applicant Covey by the Railroad Commission in its Decision No. 15069, dated June 15, 1925, and issued on Application No. 11095. Said decision authorizes Covey to operate

"an automotive service for the transportation of passengers and freight between Redding and Fern and intermediate points via Palo Cedro, Millville, Forks of Road, Whitmore and Kilarc, the return trip from Fern to be made via the county road running in a westerly and southerly direction to the point known as Forks of Road forming a loop."

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.

C. A. Winegar 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 David E. Covey shall immediately unite with applicant C. A. Winegar in common supplement to the tariffs on file with the Commission, applicant Covey on the one hand withdrawing, and applicant Winegar on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Covey shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicant Winegar shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Covey, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Covey, 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 Winegar 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 ^{13th} ~~20th~~ day
of November, 1928.

O. C. Seavey

Wm. J. ...

Thos. J. ...

W. J. ...

COMMISSIONERS.