

Decision No. 20639

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of  
 A. E. CANFIELD to sell, and  
 PICKWICK STAGES SYSTEM to purchase  
 that certain automobile passenger  
 line of the former, operated between  
 Lompoc and Harriston, California, and  
 intermediate points.

Application No. 15285

By the Commission -

**ORIGINAL**OPINION and ORDER

A. E. Canfield has petitioned the Railroad Commission for an order approving the sale and transfer by him to Pickwick Stages System of an operating right for an automobile service for the transportation of persons and property between Lompoc and Harriston, (Lompoc Jct), and Pickwick Stages System has asked for authority to purchase and acquire said operating right and to hereafter operate said service in connection with and as part of the service it is now giving between San Francisco and Los Angeles, 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 \$500, all of which sum is said to represent the value of intangibles.

The operating right herein proposed to be transferred was acquired by applicant Canfield by Railroad Commission Decision No. 11427, dated December 29, 1922, and issued on Application No. 8534, which authorized Canfield to acquire from K. H. Rudolph a right to transport passengers between Lompoc Junction and Lompoc and between Lompoc and Santa Maria. The right was established by Bell and Canfield through operation prior to May 1, 1917. Package rights were not shown in the original tariff filings nor was service to intermediate points shown. Bell and Canfield transferred the right to Rudolph

under authority of Railroad Commission Decision No.7224, dated March 18, 1920, and issued on Application No.5362. By Decision No.19872 on Application No.8534, Canfield was authorized to discontinue operations between Harriston (Lompoc Jct.), and 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 that the service authorized by the right herein transferred is to be operated as an extension of the operating right under which Pickwick Stages System is now operating between San Francisco and Los Angeles and intermediate points. The order herein is not to be construed as authorizing any lesser service than is now being given, except the elimination of express service and intermediate point service. The right to transport express and to serve said intermediate points having been established by tariff filings, an illegal enlargement of operating rights.

Pickwick Stages System 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 Canfield shall immediately unite with applicant Pickwick Stages System in common supplement to the tariffs on file with the Commission, applicant Canfield on the one hand withdrawing and applicant Pickwick Stages System on the other hand accepting and establishing such tariffs (save and except express rates and rates to intermediate points), and all effective supplements thereof.

3. Applicant Canfield shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Pickwick Stages System shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Canfield, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Canfield, 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 Pickwick Stages System unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 4th day of

January, 1929

Leon Whiteley

As Secretary

Emmanuel

John D. Lott

COMMISSIONERS.