

Decision No. 20007

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 O. E. HARRELL to sell and EDWIN HODGES
 and CHARLES GOODELL to purchase an
 automobile freight line operated between
 Plymouth, Ione, and Latrobe, California.)
) Application No. 15308

BY THE COMMISSION -

OPINION and ORDER**ORIGINAL**

O. E. Harrell has petitioned the Railroad Commission for an order approving the sale and transfer by him to Edwin Hodges and Charles Goodell of an operating right for an automotive service for the transportation of property between Plymouth, Ione and Latrobe, and Edwin Hodges and Charles Goodell have 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 \$4000. Of this sum \$3900 is said to represent the value of equipment and \$100 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was established by applicant Harrell through operation prior to May 1, 1917, and the filing of tariffs as required by the Railroad Commission. C.R.C. No. 1 filed by Harrell shows service between Plymouth, Latrobe and Ione, the tariff carrying no reference to intermediate point service other than to the points named.

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.

Edwin Hodges and Charles Goodell are 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 O.E.Harrell shall immediately unite with applicants Hodges and Goodell in common supplement to the tariffs on file with the Commission, applicant Harrell on the one hand withdrawing, and applicants Hodges and Goodell on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Harrell shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicants Hodges and Goodell shall immediately file in duplicate, in their own names time schedules covering service heretofore given by applicant Harrell, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Harrell, 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 applicants Hodges and Goodell unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 12th day of January, 1929.

Thos. J. Smith
Chas. E. Smith
John J. Smith
Leon A. Smith
Wm. J. Smith
COMMISSIONERS.