

Decision No. 20794

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 V. L. HAYNES and FAY HAYNES to sell  
 to GEORGE HARM, and of GEORGE HARM  
 to purchase all the right, title and  
 interest of said V.L. Haynes and  
 Fay Haynes in and to an automobile  
 freight line operating under the name  
 of WESTERN TRUCK LINE, between Fresno  
 and Lemoore, California, via Laton,  
 Hanford and Armona, at present owned  
 and operated by V.L.Haynes and  
 Fay Haynes, a co-partnership.

Application No. 15331

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

V. L. Haynes and Fay Haynes have petitioned the Railroad Commission for an order approving the sale and transfer by them to George Harm of an operating right for an automotive service for the transportation of property between Fresno and Lemoore, via Hanford and Laton, and George Harm has petitioned 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 \$7750.00. Of this sum \$5500 is declared to be the value of equipment, and \$2250 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was established under authority/<sup>of</sup>the Railroad Commission (Decision No. 7760, dated June 19, 1920, and issued on Application No. 5560), which authorized one H. H. Davis to operate, under the name of Western Truck Line, an automobile stage line as a common carrier of freight and express between "Fresno and Lemoore, via Hardwick, Grangeville, Hanford and Armona, and between Fresno and Hanford via

Laton and intermediate points." A half interest in this right was acquired by V.L.Haynes under authority of the Commission's Decision No.10730, dated July 19, 1922, and issued on Application No.7973. Davis, under authority of Decision No.12765, dated October 27, 1925, and issued on Application No.9409, transferred his interest to Fay Haynes, thus establishing ownership of the operating right in a partnership consisting of V.L.Haynes and Fay Haynes, two 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. The order herein, however, is not to be construed as authorizing applicant Harm to link up or join the operating right herein transferred with other operating rights owned by him.

George Harm 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- Applicants V.L.Haynes and Fay Haynes shall immediately unite with applicant George Harm in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants V.L. and Fay Haynes on the one hand withdrawing, and applicant George Harm on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants V.L. and Fay Haynes shall immediately withdraw time schedules filed in their names with the Railroad Commission, and applicant George Harm shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Haynes & Haynes, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Haynes & Haynes, 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 George Harm 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 25<sup>th</sup> day of January, 1929.

W. S. Lott

C. S. Jones

Ernest G. Cook

Leon Whitely

M. J. Gurr  
COMMISSIONERS.