

Decision No. 20826

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of RICHARD MORRISEY, Jr., to sell, and WM. E. ARTHUR to purchase, an automobile and passenger and freight line, operated between Merced Falls and Hornitos, California, and intermediate points.

ORIGINAL

) Application  
) No.15389  
)  
)

BY THE COMMISSION -

OPINION and ORDER

Richard Morrisey, Jr. has petitioned the Railroad Commission for an order approving the sale and transfer by him to William E. Arthur of an operating right for an automotive service for the transportation of passengers and property between Merced Falls and Hornitos and intermediate points, and William E. Arthur 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 the nominal sum of \$1.00.

The operating right herein proposed to be transferred was granted to Morrisey by the Railroad Commission in its Decision No.12026, dated May 3, 1923, and issued on Application No.8811. Said decision authorizes operation

"\* \* \* of an automotive stage line as a common carrier of passengers and freight between Merced Falls and Hornitos and intermediate points \* \* \* ."

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.

William E. Arthur 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 Richard Morrissey, Jr., shall immediately unite with applicant William E. Arthur in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Morrissey on the one hand withdrawing, and applicant Arthur on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Morrissey shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Arthur shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Morrissey, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Morrissey, 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 Arthur 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 2<sup>nd</sup> day of March,

1929.

David L. Lunt  
C. Searcy  
Leon O. Whipple  
W. J. Cline  
COMMISSIONERS.