

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 JEP VALENTE and FRED STUERMER, co-partners,)
 doing business under the name and style of)
 SAN RAFAEL & SONOMA VALLEY AUTO STAGE LINE,) Application
 to sell, and SOUTHERN PACIFIC MOTOR TRANSPORT) No.15449
 COMPANY to buy, that certain auto stage line)
 now operating between San Rafael and Agua)
 Caliente, California, together with equipment,)
 etc.)

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

Jep Valente and Fred Stuermer, co-partners, have petitioned the Railroad Commission for an order approving the sale and transfer by them to Southern Pacific Motor Transport Company, a corporation, of an operating right for an automotive service for the transportation of passengers and property between San Rafael and Agua Caliente and intermediate points via Ignacio, and Southern Pacific Motor Transport Company, a corporation, 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 \$62,500. Of this sum \$31,200 is declared to be the value of equipment, and other property, the balance representing the value of intangibles. If the Southern Pacific Motor Transport Company pays the \$62,500., we believe that \$31,300 of such payment should be charged to the company's surplus account (Account 315, Miscellaneous charges to income). Not more than \$31,200 may be charged to plant and equipment accounts.

The operating right herein proposed to be transferred was established by Decision No.6386, dated June 5, 1919, on Application No.4589, which decision granted to the co-partnership of F.W.Boynton,

Jas. Baines and Steve Anazitos, operating under the name of San Rafael & Sonoma Valley Auto Stage Line, a certificate of public convenience and necessity for the transportation of passengers and small parcels, between San Rafael and Agua Caliente and intermediate points via Ignacio, Black Point, Shellville, Sonoma, El Verano, Boyes Springs and Fetters Springs. C.R.C. No.1 of San Rafael & Sonoma Valley Auto Stage Line, effective July 14, 1919, illegally shows an excess baggage rate. By this tariff the weight limit of 50 pounds per package to be handled by auto passenger stage was established.

In Decision No.7560, dated May 10, 1920, on Application No.5610, Jep Valente and Fred C. Stuermer were authorized to acquire the above described operating right.

The order herein will, then, authorize the transfer by Jep Valente and Fred C. Stuermer, operating under the fictitious name of San Rafael and Sonoma Valley Auto Stage Line, of an operating right for the transportation of passengers and small parcels, weight limit of 50 pounds, (to be transported on passenger stages only), between San Rafael and Agua Caliente via Ignacio, Black Point, Shellville, Sonoma, El Verano, Boyes Springs and Fetters Springs.

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.

Southern Pacific Motor Transport Company, a corporation, 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 Jep Valente and Fred Stuermer shall immediately unite with applicant Southern Pacific Motor Transport Company in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Valente & Stuermer on the one hand withdrawing, and applicant Southern Pacific Motor Transport Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants Valente & Stuermer shall immediately withdraw time schedules filed in their names with the Railroad Commission, and applicant Southern Pacific Motor Transport Company shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicants Valente & Stuermer, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Valente & Stuermer, 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 Southern Pacific Motor Transport Company 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.

6- The order herein shall not be construed as authority for the Southern Pacific Motor Transport Company to link up or join the right herein transferred with other rights now owned by Southern Pacific Motor Transport Company.

7- Southern Pacific Motor Transport Company may not charge to its plant and equipment accounts more than \$31,200. Any sum paid in excess of \$31,200 for the aforementioned properties must be charged to Account 315 "Miscellaneous charges to income."

8- Under the authority herein granted no properties may be transferred after June 30, 1929.

Dated at San Francisco, California, this 16th day of March, 1929.

John D. Lott
Edmund J. [unclear]
Edmund J. [unclear]
M. J. Cuss
COMMISSIONERS.