

Decision No. 28837

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
FRANK E. DUCE and WESLEY HEFLIN to  
sell and transfer and JOHN C. MATSON  
to purchase auto truck line operating  
between Los Angeles and Blythe, California. )  
Application  
No. 15491

BY THE COMMISSION -

OPINION and ORDER

Frank E. Duce and Wesley Heflin have petitioned the Railroad Commission for an order approving the sale and transfer by them to John C. Matson of an operating right for an automotive service for the transportation of property between Los Angeles and Blythe and certain intermediate points, and John C. Matson 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 \$14,000. Of this sum \$8500 is declared to be the value of equipment and \$5500 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was originally granted to A. E. Campbell by the Railroad Commission in Decision No. 8567, dated Jan. 19, 1921, and issued on Application No. 6339, said Decision No. 8567 authorizes the operation of an automobile service for the transportation of freight over the main highways and through the following towns:

"Commencing at Blythe, thence to Mecca, thence to Thermal, thence to Coachella, thence to Indio, thence to Palm Springs, thence to Whitewater, thence to Banning, thence to Beaumont, thence to Riverside, thence to Ontario, thence to Pomona, thence to El Monte and thence to Los Angeles."

The order in Decision No.8567 reads in part as follows:

"This order grants authority for the transportation of freight originating at Blythe and destined to the communities of Mecca, Thermal, Coachella, Indio, Palm Springs, Whitewater and the communities intermediate between Whitewater and Los Angeles; the authority regarding intermediate points being confined to northbound business originating in the territory between Blythe and Mecca. Authority is also granted for the handling of business originating in Los Angeles and destined to the territory between Mecca and Blythe, but not including the former community, no authority being hereby conveyed for the handling of any southbound business between Los Angeles and Mecca, or points intermediate between such communities."

In Application No.7815 this operative right was transferred to Monte Willis and J. C. Dikes, co-partners, who, after operating the line for a short time, sought and obtained from the Commission, in Application No.8340, authority to transfer the operating right back to Campbell. The latter, in the same proceeding, was granted permission to transfer the operating right to W.T.Murray. The latter, in Application No.8553, was authorized by the Commission to transfer to H. N. Lein a half interest in the operating right. Lein acquired Murray's interest by Decision No.13768, issued on Application No.10231, and by Decision No.14431, dated January 5, 1925, and issued on Application No.10694 Lein was authorized to transfer the operating right to Wesley Heflin and Frank E. Duce.

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.

John C. Matson 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.

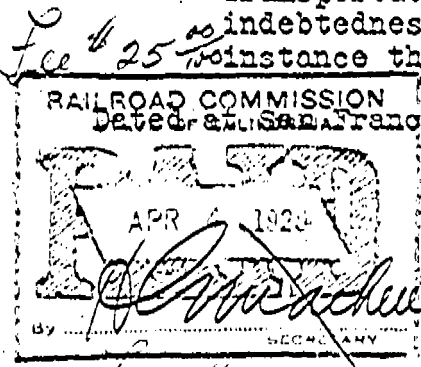
2- Applicants Duce and Heflin shall immediately unite with applicant Matson in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Duce and Heflin on the one hand withdrawing, and applicant Matson on the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

3- Applicants Duce and Heflin shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicant Matson shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Duce and Heflin, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Duce and Heflin, 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 Matson 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.

6- This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act and the Auto Stage and Truck Transportation Act to be paid on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.



this 6<sup>th</sup> day of April, 1929.

*[Signature]*

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