

Decision No. 21178

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
BARSAM SAHAKIAN to sell and
MIKE ARUTUNIAN to purchase a
one-half interest in an automobile
truck line for the transportation of
milk in the Compton District to Los
Angeles.

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) Application No. 15657
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ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

Barsam Sahakian and Ohannes Giegeroff have petitioned the Railroad Commission for an order approving the sale and transfer by them to Mike Arutunian of a one-half interest in an operating right for an automotive service for the transportation of property between what is described as the Compton-Hynes-Artesia District and Los Angeles, and Mike Arutunian has petitioned for authority to purchase and acquire said one-half interest and with Ohannes Giegeroff as co-partner 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 \$3650. All of this sum is declared to be the value of equipment.

The operating right, a one-half interest in which is herein proposed to be transferred, was granted to Sahakian, Giegeroff and Mike Arutunian by Railroad Commission Decision No. 15531, dated October 15, 1925, and issued on Application No. 11257. In said decision the Commission declares that public convenience and necessity requires the operation of an automotive trucking service

***** for the transportation of milk and other dairy products, and feed and dairy supplies, between Dominguez Junction, Compton and Los Angeles, and intermediate points, including Lynwood, Palomar and Florence, over and along the following route:

In Los Angeles on Slauson Avenue, west of Alameda Street; on Alameda Street between Slauson Avenue and Lynwood Road; on Lynwood Road between Alameda Street and Bullis Road; on Bullis Road between Lynwood Road and Main Street, Compton; on said Main Street between Bullis Road and Alameda Street; on Alameda Street between Main Street and Olive Street; on Olive Street between Alameda and Gibson Streets; on Gibson Street between Olive and Artesia Streets; on Artesia Street between Long Beach Boulevard and Alameda Street; and on Alameda Street between Artesia Street and Los Angeles Street; also on Long Beach Boulevard between Artesia Street and Los Angeles Street, prolonged to intersect said boulevard; also on Orange Street between Alameda Street and Gibson Road; within the areas completely bounded by said streets, also detours and extensions from said streets not exceeding a distance of a half-mile in either direction;

PROVIDED, HOWEVER, that the area to be served by applicants over said route shall not extend beyond the following boundaries:

On the east by the Los Angeles River; on the west by Main Street; on the north by Northern Avenue and Florence Street; on the south by Dominguez Junction and a line drawn east thereof through Alameda Street and Long Beach Boulevard."

By Decision No.20686, dated January 17, 1929, Arutunian was authorized to sell his one-third interest to Sahakian and Giegeroff. Sahakian now proposes to retire and Arutunian proposes to purchase his interest and with Giegeroff as a partner to continue the business of transporting dairy products.

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.

Arutunian & Giegeroff 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. Applicants Sahakian and Giegeroff shall immediately unite with applicants Arutunian and Giegeroff in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Sahakian and Giegeroff on the one hand withdrawing, and applicants Arutunian and Giegeroff on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicants Sahakian and Giegeroff shall immediately withdraw time schedules filed in their names with the Railroad Commission, and applicants Arutunian and Giegeroff shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicants Sahakian and Giegeroff, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Sahakian and Giegeroff, 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 Arutunian and Giegeroff 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 31st day of May,
1929.

Thor D. Lott

C. J. ...

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Leon ...

M. H. ...
COMMISSIONERS.