

Decision No. 21218

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
P. SULLIVAN to sell, and G. E. JAMESON
to purchase an automobile freight line,
operated between Petaluma, Tomales, and
Fallon, California.

} Application No. 15678

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

P. Sullivan has petitioned the Railroad Commission for an order approving the sale and transfer by him to his partner, G. E. Jameson, of his one-half interest in an operating right for an automotive service for the transportation of property between Petaluma and Fallon and Tomales, and G. E. Jameson has petitioned for authority to purchase and acquire said one-half interest in said operating right and to hereafter continue the service as sole owner, 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 \$4800. Of this sum \$3500 is declared to be the value of equipment and \$1300 is declared to be the value of intangibles. In recording the transaction on his books of account applicant may charge to his fixed capital account not more than \$3500.

The operating right, a one-half interest in which is herein proposed to be transferred, was originally granted to Woodson Bros. by Railroad Commission Decision No. 11066, dated October 7, 1922, and issued on Application No. 7948. Woodson Bros. were authorized to establish a service for the transportation of "cream, live chickens, in crates, and feed between Petaluma and Fallon and Tomales." Condition No. 1 imposed in the order reads as follows:

- 1- Nothing herein contained shall be construed to authorize the transportation of any kind of freight between Petaluma and Two Rocks or points intermediate thereto.

By Decision No. 11381, dated December 22, 1922, and issued on Application No. 8501, Woodson Bros. were authorized to transfer the right to Sullivan & Jameson.

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.

G. E. Jameson 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 Sullivan & Jameson shall immediately unite with applicant Jameson in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Sullivan & Jameson on the one hand withdrawing, and applicant Jameson on the other hand accepting and establishing such tariffs and all effective supplements thereto.
- 3- Applicants Sullivan & Jameson shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicant Jameson shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Sullivan & Jameson, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the names of applicants Sullivan & Jameson, 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 Jameson 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 10th day of
June, 1929.

Thos. E. Barrett
W. J. Seamer
W. J. Seamer
Leon C. Whittell

COMMISSIONERS.

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5- No vehicle may be operated by applicant Jameson 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 10th day of
June, 1929.

Thomas G. Lavin
A. J. James
Edward J. [unclear]
Leon O'Connell

COMMISSIONERS.