

Decision No. 21387.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
E.M. Akins and Claude C. Cunningham,
a co-partnership, to sell, and the
Union Terminal Warehouse Company, a
corporation, to purchase an automobile
freightline operated between Los
Angeles proper and Los Angeles Harbor
District.)
Application
No. 15795.

BY THE COMMISSION:-

OPINION and ORDER

E.M. Akins and Claude C. Cunningham, co-partners,
have petitioned the Railroad Commission for an order approving the
sale and transfer by them to Union Terminal Warehouse Company, a
corporation, of an operating right for an automotive service for
the transportation of property between Los Angeles and Wilmington
and San Pedro and Union Terminal Warehouse 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 \$2500. Of this sum \$1700.
is declared to be the value of equipment and \$800. is declared to
be the value of intangibles.

The operating right herein proposed to be transferred
was granted to Akins and Cunningham by Railroad Commission
Decision No. 14404, dated December 27, 1924 and issued on
Application No. 9988. Said decision authorizes Akins and
Cunningham to operate an automotive truck service as a common
carrier of property for compensation between the City of Los Angeles
proper and steamship wharves and docks located at Los Angeles
Harbor, namely Wilmington and San Pedro.

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.

Union Terminal Warehouse 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 Akins and Cunningham shall immediately unite with applicant Union Terminal Warehouse Company in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Akins and Cunningham on the one hand withdrawing, and applicant Union Terminal Warehouse Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.
- 3- Applicants Akins and Cunningham shall immediately withdraw time schedules filed in their name with the Railroad Commission and applicant Union Terminal Warehouse Company shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicants Akins and Cunningham which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Akins and Cunningham 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 Union Terminal Warehouse 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.

Dated at San Francisco, California, this 24th day of

July, 1929.

C. L. Seaver

Leon Whitely

M. A. Allen
COMMISSIONERS.