

Decision No. 21780**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 the OJAI-VENTURA STAGE, H. M. Hunt
 to sell, and the WEBSTER TRANSPORTATION
 COMPANY to purchase an automobile stage
 line operated between Ojai and Ventura
 and intermediate points, County of
 Ventura, State of California.)
)
) Application No. 16044
)
)
)

BY THE COMMISSION -

OPINION and ORDER

H. M. Hunt has petitioned the Railroad Commission for an order approving the sale and transfer by him to Webster Transportation Company, a co-partnership consisting of H. B. Webster and M. L. Webster, of an operating right for an automotive service for the transportation of passenger and property between Ojai and Ventura and intermediate points, and Webster Transportation Company, a co-partnership consisting of H. B. Webster and M. L. Webster 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 \$10,000. Of this sum \$2500 is declared to be the value of equipment and \$7500 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was established by applicant Hunt through operation prior to May 1, 1917, and the filing of tariffs and time schedules in accordance with the requirements of an order contained in Railroad Commission Decision No. 7071, issued on Application No. 4678. Hunt's C.R.C. No. 1 shows service for the transportation of passengers and express

(express packages weighing up to 75 pounds) between Ventura and Ojai and intermediate points, via La Crosse and Foster Park and Tico.

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. In recording the transaction on his books of account applicant may charge to his fixed capital account not more than \$2500.

Webster Transportation Company, a partnership consisting of H. B. and M. L. Webster, 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- Applicant Hunt shall immediately unite with applicants H. B. and M. L. Webster in common supplement to the tariffs on file with the Commission covering service given under operating right herein authorized to be transferred, applicant Hunt on the one hand withdrawing, and applicants H. B. and M.L.Webster on the other hand accepting and establishing such tariffs and all effective supplements thereto.
- 3- Applicant Hunt shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicants H. B. and M.L.Webster shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicant Hunt, which time schedules shall be 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 H. B. and M. L. Webster 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 12th day of
November, 1929.

David L. Smith
C. Seaver
Ernest Scott
Leon Whitely
W. A. Cunn
COMMISSIONERS.