

LW

Decision NO. 21855

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of MOTOR SERVICE EXPRESS to sell, and MOTOR TRANSPORTATION COMPANY, Ltd., to purchase an auto freight line operated between Los Angeles on the one hand, and Venice, Ocean Park and Santa Monica and intermediate points on the other hand.

ORIGINAL  
Application  
No. 16107

BY THE COMMISSION -

OPINION and ORDER

Motor Service Express, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Motor Transportation Company, Ltd., of an operating right for an automotive service for the transportation of property between Los Angeles and Venice, Ocean Park, Santa Monica and intermediate points, and Motor Transportation Company, Ltd., 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 \$5000, all of which sum is declared to be the value of intangibles.

The operating right herein proposed to be transferred was originally established by one Bert Ritchie prior to May 1, 1917, He, under authority of Decision No.7328, dated March 30, 1920, and issued on Application No.5495, transferred the right to Fletcher & Tremble. Under authority of Decision No.15952, dated February 8, 1926, and issued on Application No.12244, Fletcher & Tremble transferred the right to Motor Service Express, a corporation. The Ritchie right as established by tariff filing (C.R.C. No.1) did not cover a service to intermediate points. Motor Service Express

applied for a right to give such service and by Decision No.19685, dated April 27, 1926, and issued on Application No.14253, the Commission authorized it to give service "to all points intermediate to Los Angeles, Venice, Ocean Park and Santa Monica over and along the following route:

Via Washington Boulevard

Via Santa Monica Boulevard;

provided, however, that applicant herein may make free delivery and pick-up within one mile of each side of said route."

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, provided that Motor Transportation Company, Ltd., may not charge to its plant and equipment accounts any part of the sum of \$5000. The sum paid for said aforementioned properties must be charged to Account No.315, "Miscellaneous Charges to Income."

Motor Transportation Company, Ltd., 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 Motor Service Express shall immediately unite with applicant Motor Transportation Company, Ltd., in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Motor Service Express on the one hand withdrawing, and applicant Motor Transportation Company, Ltd., on the other hand accepting and establishing such tariffs and all effective supplements thereto.

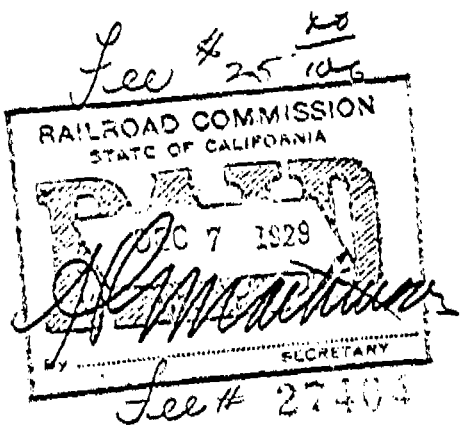
3- Applicant Motor Service Express shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Motor Transportation Company, Ltd., shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Motor Service Express, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Motor Service Express, 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 Motor Transportation Company, Ltd., 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.

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.

Dated at San Francisco, California, this 2nd day of December 1929.



Thos D. Lott  
C. Seavey  
James D. ...  
Leon A. ...  
W. J. ...  
Commissioners.