

Decision No. 21874

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	}	Application No. 16112
THE WHITE LINES to sell, and		
B. O. THOMAS to purchase an automobile		
freight line operated between Stockton and Merced, California.		

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

The White Lines, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to B.O. Thomas of an operating right for an automotive service for the transportation of property between Stockton and Merced and intermediate points, and B.O. Thomas 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 \$15,000. Of this sum \$10,000 is declared to be the value of equipment and \$5000 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was originally established by Railroad Commission Decision No. 5249, dated March 29, 1918, by which the Commission granted to H.W. Spurr, C. P. Stanbrough and A. A. Jordan, co-partners, a certificate of public convenience and necessity to operate an automotive common carrier freight service between Stockton and Fresno and intermediate points. By Decision No. 6026, dated December 26, 1918, and issued on Application No. 4267, the right granted by Decision No. 5249 was transferred to Stockton Fresno Motor Freight Co., a corporation, now known as The White Lines, the corporate name having been changed. The operation between Turlock and

Fresno was later abandoned. By Decision No.17374, dated September 21, 1926, and issued on Application No.12650, The White Lines was authorized to extend its service from Turlock to Merced, serving intermediates. The right herein sought to be transferred is; then, a right to transport freight by motor truck between Stockton and Merced and intermediate points.

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, with the provision that in recording the transaction on his books of account applicant may charge to his fixed capital account not more than \$10,000.

B. O. Thomas 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 The White Lines shall immediately unite with applicant B. O. Thomas in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant The White Lines on the one hand withdrawing, and applicant Thomas on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant The White Lines shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Thomas shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant The White Lines, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant The White Lines, 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 Thomas 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.

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.

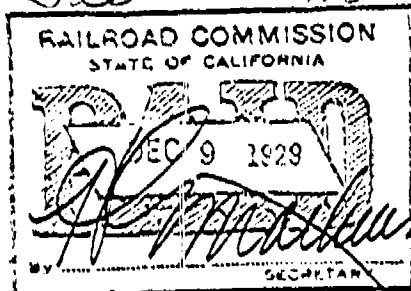
Dated at San Francisco, California, this 6th day of December, 1929.

Paul S. Lott

C. S. Sawyer

Leon O'Connell

W. J. Cunniff
COMMISSIONERS.



Fee # 27405