

carrier over the following routes:

- 1- For the transportation of all commodities between Hemet on the one hand, and Los Angeles and Los Angeles Harbor points on the other hand, but not between intermediate points.
- 2- For the transportation of fresh fruits (citrus and deciduous) and canned goods from packing houses and canneries at Hemet, on the one hand, to packing houses and canneries at Ontario, Pomona, Cucamonga and Riverside, respectively, on the other hand.

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 in the event option to purchase is exercised by Motor Service Express, all of said purchase price shall be charged to Account No.315, "Miscellaneous Charges to Income."

Motor Service Express, 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 F. E., H. E. and L. N. Kelly shall immediately unite with applicant Motor Service Express, as lessee, in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be leased, applicants F.E., H.E. and L. N. Kelly on the one hand withdrawing, and applicant Motor Service Express on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants F. E., H. E. and L. N. Kelly shall immediately withdraw time schedules filed in their names with the Railroad Commission, and applicant Motor Service Express shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicants F. E., H.E. and L. N. Kelly, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants F.E., H.E. and L.N.Kelly, 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 Service Express 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 13th day of December, 1929.

Thos D. Loutin
Chas. J. Loney
Ernest A. Reed
Leon A. Wheeler
W. J. [unclear]
COMMISSIONERS.