

Decision No. 22117

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 W. O. MASTERS to sell, and L. D. BARNES
 to purchase an automobile freight line
 operated between Los Angeles and various
 points in Southern California.

)
)
) Application
) No. 16253
)

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

W. O. Masters has petitioned the Railroad Commission for an order approving the sale and transfer by him to L. D. Barnes of an operating right for an automotive service for the transportation of property between Los Angeles and Riverside, Colton, Pomona and other points, and L. D. Barnes 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 \$3000. Of this sum \$2000 is declared to be the value of equipment and \$1000 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was granted to W. O. Masters by the Railroad Commission in its Decision No. 16467, dated April 12, 1926, and issued on Application No. 11937. Said decision authorized applicant Masters to operate a trucking service,

***** for the transportation solely of wraps for citrus fruits between Los Angeles and Puente, San Dimas, Covina, Azusa, Azusa Avenue, Glendora, La Verne, Claremont, Cucamonga, Duarte, Pomona, North Pomona, Upland, Ontario, Prenda, Rialto, Arlington, Riverside, Colton, Corona, Highgrove, Charter Oak, Casa Blanca, Irwindale and Pachappa, over and along the following route:

Via Mission Road and Valley Boulevard to Pomona, thence via Pomona-Riverside Road to Riverside, thence between Riverside and San Bernardino via Highgrove and Colton, thence between San Bernardino and Azusa via Foothill Boulevard, thence via Citrus Avenue to Baldwin Park, thence via Covina Road to Valley Boulevard; also between Baldwin Park and Puente via Puente-Covina Road; also between Pomona and Baldwin Park via San Dimas and La Verne; also between Riverside and Ontario via Corona, using main paved highway through Arlington and Chino; and "***."

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 L. D. Barnes, in recording the transaction on his books of account, may charge to his fixed capital account not more than \$2000.

L. D. Barnes 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 H. O. Masters shall immediately unite with applicant L. D. Barnes in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Masters on the one hand withdrawing, and applicant Barnes on the other hand accepting and establishing such tariffs and all effective supplements thereto.

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

Dated at San Francisco, California, this 11th day of

February, 1930.

C. S. Seaver
E. M. [Signature]
[Signature]
[Signature]
COMMISSIONERS.