

ORIGINAL

Decision No. 22182

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CALIFORNIA TRANSIT CO. to sell and)
 PACIFIC MOTOR TRANSPORT COMPANY to) Application
 buy operative rights for transportation) No.16325
 of freight between Lone Pine and Bishop.)

BY THE COMMISSION -

OPINION and ORDER

California Transit Co., a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Pacific Motor Transport Company, a corporation, of an operating right for an automotive service for the transportation of property between Lone Pine and Bishop and intermediate points, with feeder lines serving the communities of Round Valley, Sunland and Otis Ranch, and Pacific Motor Transport Company, a corporation, 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 \$1500. All this sum is declared to be the value of intangibles. No equipment is involved.

The operating right herein proposed to be transferred was granted to California Transit Co. by Railroad Commission Decision No.21259, dated December 3, 1929, and issued on Application No.15761. The right granted by said decision authorizes:

"in automotive service for the transportation of freight over the main highway between Lone Pine and Bishop and all intermediate points with feeder lines from the direct route serving the communities at Round Valley, Sunland and Otis Ranch, provided that no trailer may be operated over said route in this subsection above described unless such trailer is equipped with a set of skid chains and said skid chains are applied to the wheels of said trailer whenever the roads are wet and slippery and the use of said chains will prevent skidding."

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.

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

3- Applicant California Transit Co. shall immediately withdraw time schedules filed in its name with the Railroad Commission, and applicant Pacific Motor Transport Company shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant California Transit Co., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant California Transit Co., 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 Pacific Motor Transport Company 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 6th day of

March, 1930.

C. C. Harvey

Leon A. Whittell

W. D. Smith

W. J. Lee

COMMISSIONERS.