

Decision No. 22201

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 BANK OF ITALY NATIONAL TRUST AND  
 SAVINGS ASSOCIATION, executor of the  
 last will and testament of  
 Alonzo A. Hosford, deceased, to sell,  
 and Herman Meitzner, Jr., to purchase  
 an automobile passenger stage line  
 between Redwood City and Woodside,  
 California.

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 ) Application No. 16364  
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**ORIGINAL**

BY THE COMMISSION -

OPINION and ORDER

The Bank of Italy National Trust and Savings Association, executor of the last will and testament of Alonzo A. Hosford, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Herman Meitzner, Jr., of an operating right for an automotive service for the transportation of passengers between Redwood City and Woodside, and Herman Meitzner, Jr., 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 the terms of sale of said right as approved by the Superior Court of the County of San Mateo in its order confirming the sale of the personal property of said Alonzo A. Hosford. A copy of said order confirming said sale is attached to the application herein.

The consideration to be paid for the property herein proposed to be transferred is given as \$1250. Of this sum \$1200 is declared to be the value of equipment, and \$50 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was granted to Alonzo A. Hosford by Railroad Commission Decision No. 7956, dated August 3, 1920, and issued on Application No. 5952. Said decision authorizes a service for the transportation of passengers between Redwood City and Woodside.

Alonzo A. Hosford passed away on November 27, 1929. Since that time the service has been maintained under direction of Bank of Italy National Trust and Savings Association, executor of his will.

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.

Herman Meitzner, Jr., 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 Bank of Italy National Trust and Savings Association shall immediately unite with applicant Meitzner in common supplement to the tariffs on file with the Commission covering service granted under certificate herein authorized to be transferred, applicant Bank of Italy National Trust and Savings Association on the one hand withdrawing, and applicant Meitzner on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Bank of Italy National Trust and Savings Association shall immediately withdraw time schedules filed in name of Alonzo A. Hosford with the Railroad Commission, and applicant Meitzner shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by Hosford, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of Hosford, 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 Meitzner 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 14<sup>th</sup> day of March, 1930.

Cl. Seaver

Paul S. Lovitt

Attest

COMMISSIONERS.