

Decision No. 22755

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 G. W. YOUNG to sell, and C. H. DENIO
 to purchase an automobile freight
 line operated between Bakersfield
 and Wasco, California.

) Application
 No. 16720

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

G. W. Young has petitioned the Railroad Commission for an order approving the sale and transfer by him to C. H. Denio of an operating right for an automotive service for the transportation of property between Bakersfield and Wasco, and C. H. Denio 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 the nominal sum of \$10.

The operating right proposed to be transferred was granted to Mrs. F. C. Williams by Railroad Commission Decision No. 19976, dated May 23, 1928, and issued on Application No. 14353. Said decision authorizes the operation of a trucking service between Bakersfield and Wasco and intermediate points via Roseville, Rio Bravo and Shafter. Applicant's amended application provided for a minimum shipment of 40 pounds and a minimum rate of 50 cents. By Decision No. 22146, dated February 19, 1930, and issued on Application No. 16262, applicant Young acquired the right from Mrs. Williams.

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.

C. E. Denio 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 Young shall immediately unite with applicant Denio in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Young on the one hand withdrawing, and applicant Denio on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Young shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicant Denio shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Young, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Young, 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 Denio 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 6th day of August, 1930.

Cl. Seaver
Edward J. [unclear]
Leon [unclear]
Thos. [unclear]

COMMISSIONERS.