

Decision No. 22784

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of WARD G. ALLEN and VERN C. LINVILLE, copartners, for a certificate of public convenience and necessity to operate an automobile stage service for the transportation of freight between REDDING and BIEBER and all intermediate points over and along the following routes: Along the Redding-Alturas State Highway from Redding to Bella Vista, Ingot, Round Mountain, Montgomery Creek, Burney, Castle, Fall River Mills, Mc Arthur, Pittville, and Bieber; and from a point on the Redding-Alturas Lateral at Montgomery Creek to Mud Springs; and from Burney, on said Redding-Alturas Lateral, to Pitt No.3 and Cayton; including an area within a lateral of two miles on either side of the highways for loads of a minimum of five hundred pounds.

ORIGINAL

Application  
No.16787

In the Matter of the Application of W. M. SANFORD and FRANK G. WORD, a co-partnership doing business under the firm name and style of U. C. & N. Stages, for permission to abandon freight service provided for in their operative rights.

Application  
No.16788

BY THE COMMISSION -

OPINION and ORDER

The above numbered and entitled proceedings ask for an order of the Railroad Commission authorizing W. M. Sanford and Frank G. Word, co-partners, doing business under the firm name and style of "U.C. & N. Stages", to discontinue operation of an automotive freight service between Redding and Bieber and intermediate points, and for a certificate of public convenience and necessity authorizing Ward G. Allen and Vern C. Linville, co-partners, to operate a service for the transportation of freight by auto truck between said points.

Attached to Application No.16787 and made a part thereof (Exhibits A and B), are tariffs and time schedules showing rates and rules and regulations and time schedules proposed by applicants Allen and Linville.

Allen and Linville formerly operated a passenger, freight and express service between Redding and Bieber and intermediate points. They transferred their operating rights to Sanford & Word, the Commission approving the transfer by Decision No.22666, issued on Application No.16699. Sanford and Word are not desirous of operating a freight line, preferring to devote their energies to the maintenance and development of an automotive service for the transportation of passengers and express, hence their application for authority to discontinue the freight service acquired from Allen & Linville. The instant applications are in line with the Commission's oft-expressed policy that operating rights are indivisible and should not be "split" in a transfer proceeding; that a carrier desirous of changing a service performed under authority of a certificate or right authorizing a particular service should seek authority to abandon that part of the service proving onerous rather than to seek to pass the burden to others under a sale or lease agreement.

As the above entitled matters are closely related, we are of the opinion that they should be consolidated for consideration. A public hearing does not appear to be necessary. Both applications should be granted and the order will so provide.

Ward C. Allen and Vern C. Linville are 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 W. M. Sanford and Frank G. Word be and they are hereby authorized to discontinue operation of the freight service between Redding and Bieber and intermediate points they were authorized to perform under authority of certificate of public convenience and necessity acquired by them from Allen and Linville by Decision No.22666, and

IT IS HEREBY FURTHER ORDERED that said Sanford & Word shall make such tariff and time schedule filings as are required by the Commission's General Orders covering said abandonment of freight service, and

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the operation by Ward G. Allen and Vern C. Linville, co-partners, of an automobile trucking service for the transportation of freight between Redding and Bieber and all intermediate points over and along the following routes:

Along the Redding-Alturas State Highway from Redding to Bella Vista, Ingot, Round Mountain, Montgomery Creek, Burney, Cassel, Fall River Mills, Mc Arthur, Pittville, and Bieber; and from a point on the said Redding-Alturas Lateral at Montgomery Creek to Mud Springs; and from Burney, on said Redding-Alturas Lateral, to Pitt No.3 and Cayton, serving also all points within two miles on either side of the highways named, provided that service to off-highway points shall be given only when a shipment of 500 pounds, or more, is offered, and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity for such a service be and the same is hereby granted to Ward G. Allen and Vern C. Linville, co-partners, subject to the following conditions:

1- Applicants shall file their written acceptance of the certificate herein granted within a period of not to exceed ten (10) days from date hereof.

2- Applicants shall file, in duplicate, within a period of not to exceed twenty (20) days from the date hereof, tariff of rates and time schedules, such tariffs of rates and time schedules to be identical with those attached to the application herein, or rates and time schedules satisfactory to the Railroad Commission, and shall commence operation of said service coincident with the discontinuance of freight service by Sanford and Word as authorized herein.

3- The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been secured.

4- No vehicle may be operated by applicants herein unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of August, 1930.

Al Sawyer  
Ernest J. Galt  
Leon A. Wilson  
Thos. J. Lovett  
M. J. Cum  
COMMISSIONERS.