

Decision No. 29942

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
J. R. REEVES to sell, and  
FRANK J. CZENKUS to purchase an  
automobile line, both passenger and  
freight, operated between Point Reyes  
Station, Marin County, California, and  
Inverness, Marin County, California.

ORIGINAL

Application  
No. 16822

BY THE COMMISSION -

OPINION and ORDER

J. R. Reeves has petitioned the Railroad Commission for an order approving the sale and transfer by him to Frank J. Czenkus of operating rights for an automotive service for the transportation of passengers and property between Point Reyes Station and Inverness and intermediate points, and Frank J. Czenkus has petitioned for authority to purchase and acquire said operating rights and to hereafter operate thereunder.

The consideration to be paid for the property herein proposed to be transferred is given as \$700.00. Of this sum \$400.00 is declared to be the value of equipment and \$300.00 is declared to be the value of intangibles.

The operating rights herein proposed to be transferred were established as follows:

Decision No. 7337 of April 3, 1920, in Application No. 4802, granted a certificate to Ben Pedranti to transport passengers and freight between Point Reyes Station and Inverness and intermediate points; Decision No. 8712 of March 5, 1921, authorized B. Pedranti to acquire from Geo. W. Morse a prescriptive operating right to transport passengers between Point Reyes Station and Inverness. Such prescriptive right is evidenced by Morse's C.R.C. No. 1, effective March 1, 1917.

Decision No. 11217 of November 10, 1922, in Application No. 8389, authorized Louis V. and Fiore Ciambastiani to acquire the above described operating right from B. Pedranti;

Decision No.11847 of March 29, 1923, in Application No.8835 authorized Fiore Giambastiani to acquire sole ownership;

Decision No.11962 of April 24, 1923, in Application No.8932 authorized James R. Reeves and B. C. Schreiber to acquire the above described operating rights from F. Giambastiani;

Decision No.16338 of March 30, 1926, in Application No.12671, authorized J.R. Reeves to acquire sole ownership from Schreiber.

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.

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

3- Applicant Reeves shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicant Czenkus shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Reeves, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Reeves, 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 Czenkus 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 28th day of August  
1930.

Chas. L. Lewis

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Chas. L. Lewis

M. J. Lewis  
COMMISSIONERS.