

Decision No. 22842

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 W. A. FUGITT to sell, and CHAS. A. HAND  
 to purchase a one-half interest in  
 passenger stage and motor freight trans-  
 portation line operated under fictitious  
 name of Kernville Stage Company.

)  
 )  
 ) Application  
 ) No. 16204  
 )

BY THE COMMISSION -

OPINION and ORDER

Chas. A. Hand and W. A. Fugitt, co-partners, have petitioned the Railroad Commission for an order approving the sale and transfer by them to Chas. A. Hand of an operating right for an automotive stage and truck service for the transportation of passengers and property between Bakersfield, Kernville and Onyx, and Chas. A. Hand 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 \$2250. Of this sum \$1700. is declared to be the value of equipment, \$250. is declared to be the value of a business lot and warehouse, and \$300 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was granted by Decision No. 17832 of January 12, 1927, in Application No. 13253, for the operation of a

".... passenger, express, baggage and freight service between Bakersfield and Kernville via Kern River Power House No. 1, Democrat Hot Springs, Hobo Springs and Borel Power House, in lieu of the service heretofore conducted by applicants between Bakersfield and Kernville by way of Walker's Basin and Havilah; provided, however, that applicants shall, upon request of shippers, make deliveries of freight to Havilah and Walker's Basin, over and along the following route:

Between Bakersfield and Kernville over the county highway via Kern River Power House No.1, Democrat Hot Springs, Hobo Springs, Borel Power House, Bodfish and Isabella; and ..... ,"

and enlarged by Decision No.22816 of August 28, 1930, in Application No.16593, which authorizes the

"..... operation by Hand and Fugitt of an auto stage and trucking service for the transportation of passengers, baggage, express and freight between Onyx and Isabella and intermediate points via Weldon, as an extension and enlargement of their present service between Bakersfield and Kernville and intermediate points via Isabella, and .... ."

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.

Chas. A. Hand 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- Applicants Hand and Fugitt shall immediately unite with applicant Hand in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Hand and Fugitt on the one hand withdrawing, and applicant Hand on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicants Hand and Fugitt shall immediately withdraw time schedules filed in their names with the Railroad Commission, and applicant Hand shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Hand and Fugitt, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Hand and Fugitt, 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 Hand 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 8th day of

September, 1930.

C. J. ...  
...  
Leon ...  
...

COMMISSIONERS.