

Decision No. 22871.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application	}	
of James W. Lemen to sell and	}	
Fred Iversen to purchase an	}	
automobile, passenger and freight	}	Application
line, operated between Paso	}	No. 16777.
Robles and Shandon and Annette,	}	
California.	}	

BY THE COMMISSION-

OPINION and ORDER

James W. Lemen has petitioned the Railroad Commission for an order approving the sale and transfer by him to Fred Iversen of operating rights for an automotive service for the transportation of passengers and property between Paso Robles and Annette and Fred Iversen has petitioned for authority to purchase and acquire said operating rights 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 \$300., all of which sum is declared to be the value of intangibles.

The operating rights herein proposed to be transferred were originally established by Railroad Commission Decision No. 7124 dated February 15, 1920 and issued on Application No. 5339 said decision authorizing C.F. Iverson to operate an automotive service for the transportation of passengers and freight "between Paso Robles and Annette and intermediate points," via Union, Shandon and Cholame. By Decision No. 10822, dated August 23, 1922 and issued on Application No. 8106, Iverson was authorized to transfer the rights to John L. Joslin. On November 28, 1923 by Decision No. 12279 issued on Application No. 9542 Joslin was authorized to transfer the rights to Bert Myers. J.W. Lemen acquired the rights from

Myers under authority of Decision No. 17244, dated August 18, 1926 and issued on Application No. 13085.

The Lemen right between Paso Robles, Adelaide and Klamath is not involved in this proceeding.

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.

Fred Iversen 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 Lemen shall immediately unite with applicant Iversen in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Lemen on the one hand withdrawing, and applicant Iversen on the other hand accepting and establishing such tariffs and all effective supplements thereto.
- 3- Applicant Lemen shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Iversen shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Lemen which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Lemen 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 Iversen 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 15th day
of September 1930.

Ed Sawyer
Edmund C. H.

Wm. C. Linton

COMMISSIONERS.