

Decision No. 23151

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of VALLEY MOTOR LINES, INC., for authority to purchase and acquire the right of GEORGE G. HARM and HAROLD B. FRASHER to operate an auto truck line for the transportation of property and as a common carrier, for compensation, over the public highways between Fresno and Dinuba, California, and intermediate points, via Fowler, Selma and Kingsburg, California, together with certain operative property and assets; and of said George G. Harm and Harold B. Frasher to sell and transfer said property to said Valley Motor Lines, Inc.

ORIGINAL

Application
No. 17044

BY THE COMMISSION -

OPINION and ORDER

George G. Harm and Harold B. Frasher, co-partners, have petitioned the Railroad Commission for an order approving the sale and transfer by them to Valley Motor Lines, Inc., of an operating right for an automotive service for the transportation of property between Fresno and Dinuba, and Valley Motor Lines, Inc., 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 \$3602.20, all of which sum is declared to be the value of equipment.

The operating right herein proposed to be transferred was acquired by George G. Harm and Harold B. Frasher, co-partners, in Decision No. 15202 of July 22, 1925, in Application No. 9759, which decision granted a certificate to said co-partners for the operation of an automobile truck line as a common carrier of freight between Fresno and Dinuba and intermediate points, together

with the right to serve the territory between Fresno and Dinuba for a distance of five miles on each side of the highway to be traversed, provided however, that no freight shall be carried between the points of Fresno and Fowler, Fresno and Selma and Fresno and Kingsburg.

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.

Valley Motor Lines, Inc., 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- That the order herein shall not be construed as authorizing Valley Motor Lines, Inc. to consolidate, link up or merge the operating rights herein authorized to be transferred with other operating rights owned by it.
- 2- 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.
- 3- Applicants Harm and Frasher shall immediately unite with applicant Valley Motor Lines, Inc. in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Harm and Frasher on the one hand withdrawing, and applicant Valley Motor Lines, Inc. on the other hand accepting and establishing such tariffs and all effective supplements thereto.

4 ~~X~~ Applicants Harm and Frasher shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicant Valley Motor Lines, Inc. shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicants Harm and Frasher, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Harm and Frasher, or time schedules satisfactory to the Railroad Commission.

5 ~~X~~ 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.

6 ~~X~~ No vehicle may be operated by applicant Valley Motor Lines, Inc., unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 10th day of

December, 1930.

Cl. Lavery

Edward J. ...

Chas. L. ...

COMMISSIONERS.