

Decision No. 23296

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 W. O. RUDDICK to sell, and )  
 GUIDO de GHETALDI to purchase an ) Application  
 automobile freight line operated ) No.17135  
 between Upper Lake and Ukiah. )

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

W. O. Ruddick has petitioned the Railroad Commission for an order approving the sale and transfer by him to Guido de Ghetaldi of an operating right for an automotive service for the transportation of property between Upper Lake and Ukiah, and Guido de Ghetaldi 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 \$700. Of this sum \$600 is declared to be the value of equipment and \$100 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was granted to applicant Ruddick by Decision No.16738, dated May 17, 1926, and issued on Application No.11633, which decision authorizes Ruddick to operate an automotive truck service for the transportation of farm and dairy products and fresh meat from farms situated near Upper Lake to Ukiah and for the transportation of groceries, poultry feed and repair parts for farm machinery from Ukiah to said farms, over and along the following route, viz: over the state highway from Ukiah to Upper Lake, and thence over the following described public highways originating at Upper Lake and serving all farms situated on and along said roads, to-wit:

the public highway leading to the Rasmussen Ranch on the East Lake road; the public highway leading to the Elliott ranch on the Clover Creek road; the public highway leading to the Mc Cabe ranch on the Middle Creek road, the same being the road from Upper Lake to Elk Mountain; and the public highway extending through Bachelor Valley.

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.

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

3- Applicant Ruddick shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant de Ghetaldi shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Ruddick, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Ruddick, 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 de Ghetaldi 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.

6- The order herein shall not be construed as authority to merge, link up or join the operating right herein authorized to be transferred with the present rights of de Ghetaldi nor shall it be construed as authority to make any change in the rates now being charged by him or by Ruddick.

Dated at San Francisco, California, this 19th day of

January, 1931.

C. S. Seaver  
Leon W. Ruddy  
M. J. Linn  
W. B. Linn  
Fred G. Stevens  
COMMISSIONERS.