

LV

Decision No. 23374

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ADAM J. BAKER, doing business under)
the name and style of BELT LINE EXPRESS)
COMPANY, to sell a freight line operated) Application
between Balboa, California, and San) No. 17175
Bernardino, California.)

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

Adam J. Baker has petitioned the Railroad Commission for an order approving the sale and transfer by him to Rice Transportation Company, a corporation, of an operating right for an automotive service for the transportation of property between Balboa and East Highland via Anaheim, San Bernardino and Redlands, and Rice Transportation Company, a corporation, 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 one dollar, all of which is declared to be the value of intangibles.

The operating right herein proposed to be transferred was acquired by applicant Baker in Decision No. 16315 of March 29, 1926, in Application No. 11327, which granted him a certificate of public convenience and necessity for the "... operation of freight truck service as proposed by applicant herein, for the transportation of all commodities, in quantities not to exceed three tons from any one consignor to any one consignee, between Newport Beach, (including Balboa, a portion of the city of Newport Beach), Costa Mesa, Santa Ana, Orange, Anaheim, Fullerton, Olive, Tustin, Placentia, Yorba Linda, Richfield, Yorba, Rincon, Corona, Arlington, Riverside, Highgrove, Colton, San Bernardino, Redlands,

Highland, East Highland and Rialto; provided, however, that applicant may not transport any property between Riverside and points east or north thereof, unless such property is destined to or originates at points west of Riverside; and provided further, that applicant may make free pick-up and delivery within one mile of highways traversed, - over and along the following route:

Via State highway from Newport and Balboa to Tustin, Santa Ana, Orange, Anaheim, Fullerton, Placentia, Richfield, Yorba Linda, Olive and Yorba; thence via Santa Ana Canyon Road through Corona to Riverside, thence to Highgrove, Colton, Redlands, East Highland, Highland, San Bernardino and Rialto, returning via Colton Avenue direct between San Bernardino and Colton, and returning by identically the same route "

Applicant Rice Transportation Company, a corporation, 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 Baker shall immediately unite with applicant Rice Transportation Company, a corporation, in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Baker on the one hand withdrawing, and applicant Rice Transportation Company, a corporation, on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Baker shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicant Rice Transportation Company, a corporation, shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Baker, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Baker, 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 Rice Transportation Company, a corporation, 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.

6. No authority is herein granted for the consolidation by Rice Transportation Company, a corporation, of the operating right herein authorized to be acquired with the rights now owned by said Rice Transportation Company, a corporation.

Dated at San Francisco, California, this 9th day of February,
1931.

C. Seavey

W. A. Orr

W. B. Harris

John G. Stewart

COMMISSIONERS.