

Decision No. 23407

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 RALPH E. VERMILLION to sell, and)
 JAMES A. FURNAS to purchase an) Application
 automobile passenger line operated) No.17181
 between Riverside, Cal., and Citrus)
 Experiment Station, California.)

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

Ralph E. Vermillion has petitioned the Railroad Commission for an order approving the sale and transfer by him to James A. Furnas of an operating right for an automotive service for the transportation of passengers between Riverside and Riverside Experimental Station, and James A. Furnas 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 agreement set forth in the application.

The consideration to be paid for the property herein proposed to be transferred is nominal.

The operating right herein proposed to be transferred was acquired by applicant Vermillion in the certificate granted in Decision No.21515 of September 4, 1929, in Application No.15860 for "... the operation by Ralph E. Vermillion of an automotive passenger stage service between Riverside and the University of California Experimental Station near Riverside."

Applicant Furnas 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 Vermillion shall immediately unite with applicant Furnas in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Vermillion on the one hand withdrawing, and applicant Furnas on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Vermillion shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Furnas shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Vermillion, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Vermillion, 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 Furnas 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 16th day of February,
1931.

CL. Harvey
Leon O'Whitely
W. J. Con
M. B. Harris
Fred G. Stewart
COMMISSIONERS.