

Decision No. 23425.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)	
of M.C. Langstaff to sell, and of)	
R.E. Chappell to purchase an auto-)	Application
mobile passenger and freight line)	No. 17204.
operated between Colfax and Michigan)	
Bluff, California.)	

BY THE COMMISSION:

ORIGINALOPINION and ORDER

M.C. Langstaff has petitioned the Railroad Commission for an order approving the sale and transfer by him to R.E. Chappell of an operating right for an automotive service for the transportation of passengers and property between Colfax and Michigan Bluff via Forest Hill and R.E. Chappell 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 "B", 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 (\$1.00) all of which is declared to be the value of intangibles.

The operating right herein proposed to be transferred was established as follows:

R.D. Brown established a prescriptive automotive operating right for the transportation of passengers, freight and baggage between Colfax and Michigan Bluff and intermediate points via Forest Hill as evidenced by C.R.C. No. 1 Local Passenger Tariff No. 1 and C.R.C. No. 1 Local Freight Tariff No. 1 filed by Brown under the name Colfax-Forest Hill & Michigan Bluff Stage Line both tariffs issued and made effective June 1, 1917.

Decision No. 7430 of April 15, 1920 in Application No. 5548 authorized the transfer of the above described operating right from R.D. Brown to F.A. Rupley.

Decision No. 10130 of February 27, 1922 in Application No. 7421 authorized the transfer of

the above described operating right from F.A. Rupley to M.C. Langstaff one of the applicants herein.

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.

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

3- Applicant Langstaff shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Chappell shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Langstaff which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Langstaff 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 Chappell 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 24th day
of February 1931.

C. S. Sawyer
Leon White
M. A. Long
M. B. Harris
Fred G. Stewart
COMMISSIONERS.