

Decision No. 23482

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 JOHN C. MATSON to sell, and ROBT. V. )  
 HARDIE to purchase an automobile ) Application  
 freight line operated between the ) No. 17233  
 City of Los Angeles, California, and )  
 Blythe, California. )

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

John C. Matson has petitioned the Railroad Commission for an order approving the sale and transfer by him to Robt. V. Hardie of operating rights for automotive service for the transportation of property between Los Angeles and Blythe and certain intermediate points, and Robt. V. Hardie has petitioned for authority to purchase and acquire said operating rights and to hereafter operate there - under, 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 \$7000.00, all of which sum is declared to be the value of intangibles.

Of the purchase price three thousand dollars (\$3000.00) was paid upon the execution of the agreement; three thousand dollars (\$3000.00) is to be paid at the time this Commission authorizes the transfer of operative rights, as sought herein, and the balance of one thousand dollars (\$1000.00) evidenced by a promissory note executed by Second Party to the order of First Party, due in three (3) installments respectively thirty, sixty and ninety days after the date of the payment of the second three thousand dollars (\$3000.00) hereinabove mentioned.

The operating rights herein proposed to be transferred were originally granted to A. E. Campbell by the Railroad Commission in Decision No.8567, dated January 19, 1921, and issued on Application No.6339, said Decision No.8567 authorizes the operation of an automobile service for the transportation of freight over the main highways and through the following towns:

"Commencing at Blythe, thence to Mecca, thence to Thermal, thence to Coachella, thence to Indio, thence to Palm Springs, thence to Whitewater, thence to Banning, thence to Beaumont, thence to Riverside, thence to Ontario, thence to Pomona, thence to El Monte and thence to Los Angeles."

The order in Decision No.8567 reads in part as follows:

"This order grants authority for the transportation of freight originating at Blythe and destined to the communities of Mecca, Thermal, Coachella, Indio, Palm Springs, Whitewater and the communities intermediate between Whitewater and Los Angeles; the authority regarding intermediate points being confined to northbound business originating in the territory between Blythe and Mecca. Authority is also granted for the handling of business originating in Los Angeles and destined to the territory between Mecca and Blythe, but not including the former community, no authority being hereby conveyed for the handling of any southbound business between Los Angeles and Mecca, or points intermediate between such communities."

In Application No.7815 this operative right was transferred to Monte Willis and J. C. Dikes, co-partners, who, after operating the line for a short time, sought and obtained from the Commission, in Application No.8340, authority to transfer the operating right back to Campbell. The latter, in the same proceeding, was granted permission to transfer the operating right to W. T. Murray. The latter, in Application No.8553, was authorized by the Commission to transfer to H. N. Lein a half interest in the operating right. Lein acquired Murray's interest by Decision No.13768, issued on Application No.10231, and by Decision No.14431, dated January 5, 1925, and issued on Application No.10694, Lein was authorized to transfer the operating right to Wesley Eeflin and Frank H. Duce.

Decision No.20937 of April 2, 1929, in Application No.15491, authorized Heflin and Duce to transfer the above described rights to John C. Matson.

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.

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

3- Applicant Matson shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Hardie shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Matson, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Matson, 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 Hardie 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 4th day of March, 1931.

Osceola  
Leon Whitely  
M. A. Carr  
W. B. Lewis  
Fred G. Stewart  
COMMISSIONERS.