

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 TOLSON TRANSPORTATION COMPANY, INC.,)
 to sell, and CITIZENS TRUCK COMPANY,)
 LTD., to purchase an automobile freight) Application
 line, operating between Los Angeles on) No.17836
 the one hand and Long Beach on the other)
 hand, and Long Beach on the one hand and)
 Los Angeles Harbor on the other hand.)

BY THE COMMISSION -

OPINION and ORDER

In this application, as amended, Tolson Transportation System, Inc. has petitioned the Railroad Commission for an order approving the sale and transfer by it to Citizens Truck Company, Ltd., an authorized carrier, of operating rights for an automotive service for the transportation of property between

- 1- Los Angeles and Long Beach.
- 2- Long Beach and Los Angeles Harbor District, via Anaheim Road.

Citizens Truck Company, Ltd. has petitioned for authority to purchase and acquire said operating rights 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 \$12803.09. Of this sum \$3500.00 is declared to be the value of equipment and \$9303.09 is declared to be the value of intangibles.

It appears from the agreement of sale that Tolson Transportation System, Inc. is indebted to the state for taxes, the amount, including penalties and interest, totaling \$9303.09. Citizens

Truck Company, Ltd. has agreed to pay to the State of California, at the rate of \$300.00 or more per month, the full amount of the tax claim, the first payments to be made upon approval by the Railroad Commission of the transfer of the operating rights and certain pieces of equipment to Citizens Truck Company, Ltd. as herein sought. The balance of the purchasing price of \$12,803.09, viz \$3500.00, is to be paid to the Tolson company, partly in cash and partly in installments, as set forth in the agreement of sale.

The operating rights herein proposed to be transferred were established as follows:

Los Angeles-Long Beach

By Decisions Nos. 5820 and 5859 - Hudson & Hudson were authorized to operate as a common carrier of freight between Los Angeles and Long Beach. By Decision No. 12029, issued on Application No. 8959, and dated May 3, 1923, the right was transferred to a partnership consisting of Hudson and Hudson and Githens. By Decision No. 14781, dated April 10, 1925, and issued on Application No. 10954, Tolson Transportation System, Inc. ^{from} acquired the right/the partnership. Approval of the transfer was given with the distinct understanding that the operating right transferred could not be merged or consolidated with the rights then held by Tolson Transportation System, Inc. between Los Angeles and Huntington Beach, between Los Angeles and Torrance, and between Torrance and the Harbor District of Los Angeles, nor was any change to be made in service as given by American Transfer and Auto Delivery Company unless authority to consolidate said operating rights or change said service was first obtained from the Railroad Commission.

Long Beach-Los Angeles Harbor District

By Decision No.17947, dated February 2, 1927, and issued on Application No.12024, Tolson Transportation System, Inc. was authorized to operate a trucking service between Long Beach and Los Angeles Harbor District, via Anaheim Road. Condition No.1 of the order prohibited the joining or merging of the right granted with existing rights of applicant.

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.

Citizens Truck Company, Ltd. 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 Tolson Transportation System, Inc. shall immediately unite with applicant Citizens Truck Company, Ltd. in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Tolson Transportation System, Inc. on the one hand withdrawing, and applicant Citizens Truck Company, Ltd. on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Tolson Transportation System, Inc. shall immediately withdraw time schedules filed in its name with the Railroad Commission, and applicant Citizens Truck Company, Ltd. shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Tolson Transportation System, Inc., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Tolson Transportation System, Inc., 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 Citizens Truck Company, Ltd. 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- The order herein shall not be construed by Citizens Truck Company, Ltd. as authority to consolidate or merge the rights herein authorized to be transferred with themselves or with existing operating rights possessed by Citizens Truck Company, Ltd.

This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act and the Auto Stage and Truck Transportation Act to be paid on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.

Dated at San Francisco, California, this 14th day of December, 1931.

W. J. ...

Leon ...

M. J. ...

M. B. ...

Fred G. ...
COMMISSIONERS.

Fee \$25.00
100.

R. Machu

4.

Fee #