

Decision No. 24412

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
DAVIES WAREHOUSE COMPANY, a corpora-)	
tion to sell, and R.G. KNOLL to)	Application
purchase an automobile freight line)	No. 17901.
operated between Los Angeles and San)	
Pedro and Wilmington, California.)	

BY THE COMMISSION:

OPINION and ORDER

ORIGINAL

Davies Warehouse Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to R.G. Knoll of an operating right for an automotive service for the transportation of property between Los Angeles and San Pedro and Wilmington and R.G. Knoll 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 \$10,000.00. Of this sum \$9900.00 is declared to be the value of equipment and \$100.00 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was created by Decision No. 13562 on Application No. 10020 dated May 16, 1924 granting to C.C. Cartwright, operating as C.C. Transfer & Garage, pending final determination, which was made permanent by Decision No. 14404, on the same application, dated December 27, 1924, for "automotive service as a common carrier of property for compensation between the city of Los Angeles proper

and steamship wharves and docks located at Los Angeles harbor, namely, Wilmington and San Pedro." By Decision No. 17313 on Application No. 13103 this certificate was transferred to Davies Warehouse Company, a corporation, applicant 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.G. Knoll 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 Davies Warehouse Company shall immediately unite with applicant R.G. Knoll in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Davies Warehouse Company on the one hand withdrawing, and applicant R.G. Knoll on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3- Applicant Davies Warehouse Company shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant R.G. Knoll shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Davies Warehouse Company, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Davies Warehouse Company 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 R.G. Knoll 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 25th day
of January 1932.

C. S. Seaman
Leon Whitney
M. J. Lee
H. B. Lewis
Fred G. Stewart
COMMISSIONERS.