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Decision No. 24813.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
K. M. STEVENSON, to sell and transfer
to PAUL SHAFER all his right, title and
interest in and to the operative rights
now held by STEVENSON and SHAFER, under
the fictitious firm name and style of
VICTORVILLE MOTOR EXPRESS: And further
for PAUL SHAFER to sell, transfer and
assign to K. M. STEVENSON, the opera-
tive rights authorizing service between
Yermo and the California and Nevada
State Line and intermediate points.

Application No. 18140.

BY THE COMMISSION:

ORIGINAL

O P I N I O N

K. M. Stevenson and Paul Shafer, copartners operating under the fictitious name of Victorville-Las Vegas Motor Express under certificates from this Commission, seek authority herein to transfer operating rights to themselves individually, in consequence of a dissolution of partnership, according to the terms of an agreement filed with the application and marked Exhibit "A." This agreement provides that all the rights now possessed by the partnership are to be transferred to Paul Shafer individually except the right for the transportation of freight between Los Angeles, Colton and San Bernardino on the one hand, and points between Yermo and the California-Nevada State Line near Wheaton Springs, on the other hand. The rights otherwise are to be transferred to Shafer and include freight service from Los Angeles, Colton and San Bernardino to

points between San Bernardino and Oro Grande and between Oro Grande and Yermo serving intermediate points of Victorville and Barstow.

Consideration stated in the agreement is a transfer to Shafer of five trucks and the office furniture and equipment, together with the name Victorville Motor Express under which this service formerly was operated; in addition Shafer is to receive one thousand dollars (\$1,000.00) in cash or accounts receivable in a like amount satisfactory to himself, and he is to assume as his sole and separate liability accounts payable in the sum of eleven thousand dollars (\$11,000.00), among which is one note payable to K. H. Shafer for nineteen hundred dollars (\$1900.00), and other notes aggregating one hundred ninety six dollars and fifty-eight cents (\$196.58) together with an attorney's fee amounting to one hundred and twenty dollars and ninety-three cents (\$120.93), and the unpaid amounts due upon trucks and equipment. Applicant avers that no part of this indebtedness extends further than a period of eleven months from date of application.

By the same agreement (Exhibit "B") Stevenson is to receive the operative rights covering operation between Yermo, California, and the Nevada State Line, together with the business and name of the Las Vegas Motor Express, and all the remaining equipment consisting of twenty-two trucks, two trailers and one sedan. No values are stated.

The operative right proposed to be transferred by the partnership to Stevenson was created by Decision No. 22,460 on Application No. 16488 dated May 21, 1930 to Stevenson and Shafer for the operation of automobile truck service as a common carrier for the transportation of express between Yermo and the California-Nevada State Line, serving all intermediate points including Mannix, Midway, Cronos, Baker, Halloran Springs, Yucca Grove,

Windmill, Mountain Pass and Wheaton Springs. This right was consolidated with the rights granted under Decision Nos. 18406 and 21168 on Application No. 13691. The service provided for between Yermo and the State Line and Wheaton Springs is to be conducted upon the through interstate trucks between Los Angeles and Las Vegas serving only the points named as intermediates. All the remaining service, Yermo to San Bernardino and Los Angeles locally is to be served by Shafer. To this extent the consolidated right will be broken by the transfer of a portion to Stevenson.

The operating rights proposed to be transferred to Paul Shafer were created by Decision No. 11214 on Application No. 8259 dated November 10, 1922, granting to O. M. Green an operative right for the transportation of freight and express between San Bernardino and Victorville. This right was subsequently, by authority of the Commission, transferred to C. M. Bullock by Decision No. 14720 on Application No. 10884 dated March 31, 1925, and was transferred from Bullock to K. M. Stevenson by Decision No. 15595 on Application No. 10195 dated November 6, 1925. K. M. Stevenson was granted an operative right for the transportation of freight between Los Angeles and Victorville and all points ten miles north of a line drawn east and west through the community of Hesperia. By Decision No. 21080 on Application No. 10195 dated May 10, 1929, a restriction limiting the transportation of freight between Los Angeles and Victorville to shipments not more than three tons from one consignor to one consignee was removed. By Decision No. 15799 on Application No. 12062 dated December 28, 1925, Paul Shafer acquired a half interest in the Stevenson operative rights. By Decision Nos. 18406 and 21168 on Application No. 13691 Stevenson and Shafer acquired the

operating rights of D. T. McElhaney for the transportation of freight between Colton and San Bernardino on the one hand and Helendale, Hicks, Lenwood, Barstow, Daggett and Yermo and points intermediate on the other hand. By Decision No. 18406 the rights of the partnership were consolidated with each other and with the operation acquired from McElhaney and a certificate in lieu granted for the transportation of freight between Los Angeles, Colton and San Bernardino on one hand, and all points between San Bernardino and including Yermo on the other hand. By Decision No. 22460 on Application No. 16488, dated May 21, 1930, the partnership acquired a certificate for the operation of an automobile truck line as a common carrier between Yermo and the California-Nevada State Line and all intermediate points on United States Highway No. 91 "not as a new or separate certificate but as an extension of and as a consolidation with applicants' presently authorized operative rights" as hereinbefore set out. It is the last named certificate which it is proposed to transfer to Stevenson as between Los Angeles, Colton and San Bernardino on one hand, and Yermo and the California-Nevada State Line and intermediates on the other hand.

K. M. Stevenson and Paul Shafer each 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 application be and the same is hereby granted, and K. M. Stevenson and Paul Shafer, copartners, are hereby directed to transfer the operative rights now owned by them as a copartnership to K. M. Stevenson, an individual, and Paul Shafer, an individual, in accordance with the agreement between these parties marked Exhibit "A" and attached to the application, 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. Applicants K. M. Stevenson and Paul Shafer, as copartners, shall immediately unite with applicants K. M. Stevenson and Paul Shafer as individuals in common supplements to the tariffs on file with the Commission covering service given under certificates herein authorized to be transferred, applicants Stevenson and Shafer, a copartnership on the one hand withdrawing, and applicants Stevenson and Shafer separately as individuals on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants K. M. Stevenson and Paul Shafer, copartners shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicants K. M. Stevenson and Paul Shafer, separately as individuals shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Stevenson and Shafer, copartners, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Stevenson and Shafer, copartners, 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 K. M. Stevenson or Paul Shafer, individually, 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 31st day of

May, 1932.

CC Seaver

Sam Anderson

W. J. Cunniff

W. B. Hamer

Fred C. Stewart

Commissioners.