

Decision No. 24840.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 C.A. WINEGAR to sell and DAVID E. COVEY)
 to purchase an automobile Passenger and) Application No. 18180
 Freight Line operated between Redding)
 and Fern, Shasta County, California.)

BY THE COMMISSION:

OPINION and ORDER

C.A. Winegar has petitioned the Railroad Commission for an order approving the sale and transfer by him to David E. Covey of an operating right for an automotive service for the transportation of passengers and property between Redding and Fern and intermediate points via Palo Cedro and David E. Covey 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 \$250.00. This sum is declared to be the value of intangibles. No equipment is to be transferred.

The operating right herein proposed to be transferred was created by Decision No. 15069 on Application No. 11095, dated June 15, 1925 granting to David E. Covey (applicant herein) an operating right for the transportation of freight between Redding and Fern and intermediate points, via Palo Cedro, Millville, Forks-of-the-Road, Kilarc and Whitmore. By Decision No. 20450, on Application No. 15108, dated November 13, 1928 Covey was authorized to transfer the right to Winegar.

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.

David E. Covey 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 C.A. Winegar shall immediately unite with applicant David E. Covey in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant C.A. Winegar on the one hand withdrawing, and applicant David E. Covey on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant C.A. Winegar shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant David E. Covey shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant C.A. Winegar, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant C.A. Winegar 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 David E. Covey 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 6th day
of June 1932.

C. Deane
Leon A. White
M. A. Carr
M. B. Hamilton
Fred G. Alexander
COMMISSIONERS.