

Decision No. 25088

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 W. R. CARTY to sell and H. R. CHAPMAN
 to purchase an automobile passenger,
 freight and express line operated between
 Needles and Vidal, Earp and Whipple
 Mountain, California.)
) Application
) No.18343
)

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

W. R. Carty and H. R. Chapman, co-partners, have petitioned the Railroad Commission for an order approving the sale and transfer by W. R. Carty to H. R. Chapman of Carty's one half interest in an operating right for an automotive service for the transportation of passengers and property between Needles and Vidal, Earp and Whipple Mountain, and H. R. Chapman 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 \$500.00. Of this sum \$250.00 is declared to be the value of equipment and \$250.00 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was created by Decision No.24598, dated March 21, 1932, on Application No.17967.

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.

H. R. Chapman 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. Applicants W. R. Carty and H. R. Chapman, co-partners, shall immediately unite with applicant H. R. Chapman in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Carty and Chapman, co-partners, on the one hand withdrawing, and applicant H. R. Chapman on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants W. R. Carty and H. R. Chapman, co-partners, shall immediately withdraw time schedules filed in their names with the Railroad Commission and applicant H. R. Chapman shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants Carty and Chapman, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the names of applicants Carty and Chapman, 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 H. R. Chapman 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 2nd day of August, 1932.

C. Leary
Leon Whitely
W. A. Cunn
W. B. Harris
Fred G. Stewart
COMMISSIONERS.