

Decision No. 25333

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of IRA E. THATCHER to lease an) Application
automobile passenger and express) No. 18424
line operated between Chico and)
Sterling City, California.)

BY THE COMMISSION:

OPINION and ORDER

ORIGINAL

Ira E. Thatcher has petitioned the Railroad Commission for an order approving the lease and conditional contract of sale and transfer by him to Ronald H. Beddoe of an operating right for an automotive service for the transportation of passengers and property between Chico and Sterling City and Ronald H. Beddoe has petitioned for authority to lease and conditionally 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 operating right herein proposed to be transferred was created by Decision No. 21216, dated May 10, 1929, on Application No. 15634. Applicant Beddoe proposes to lease the operating right for one year at a rental of \$45.00 per month with option of renewal for a period of two years more at the same rental, plus a proportion of the receipts in excess of \$300.00 a month. Applicant proposes to buy a truck and body for \$850.00 and to pay for same at the rate of \$60.73 a month. Applicant Beddoe has presented satisfactory references as to his responsibility.

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.

Ronald H. Beddoe 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 Ira E. Thatcher shall immediately unite with applicant Ronald H. Beddoe in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Ira E. Thatcher on the one hand withdrawing, and applicant Ronald H. Beddoe on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Ira E. Thatcher shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Ronald H. Beddoe shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Ira E. Thatcher which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Ira E. Thatcher 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
Ronald H. Beddoe 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 7th day
of November 1932.

P. C. Seaver
Leon Whitney
W. J. Lee
M. B. Harris
Fred G. Stewart
COMMISSIONERS.