

Decision No. 25723.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
G.E. and L.A. Galbreath, a co-  
partnership, to lease to L.R. Kagarise,  
an automobile freight line operating  
between Los Angeles, Narod and Chino,  
with option to purchase such operating  
rights. )

) Application  
) No. 18724.  
)

**ORIGINAL**

BY THE COMMISSION:

O P I N I O N

G.E. and L.A. Galbreath, a copartnership, operating under the name of Chino Express & Transfer have petitioned the Railroad Commission for an order approving the sale and transfer by them to L.R. Kagarise of operating rights for an automotive service for the transportation of property between Chino and Los Angeles, no intermediate points, and between Los Angeles and Chino and between Pomona and Chino serving intermediate points between Pomona and Chino, via Narod, and L.R. Kagarise has petitioned for authority to purchase and acquire said operating rights and to hereafter operate thereunder, the sale and transfer to be in accordance with an agreement, a copy of which 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 payable in monthly installments of \$50.00 with the option to purchase at the tenth month for an additional \$50.00. This sum is declared to be the value of intangibles and no equipment is to be transferred.

The operating rights herein proposed to be transferred were created by Decision No. 7342, dated April 3, 1920, on Application No. 5031, and Decision No. 10661, dated July 6, 1922, on Application No. 7277, also Decision No. 11694, dated February 20, 1923, on Application No. 8677.

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.

L. R. Kagarise 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.

### ORDER

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 G.E. and L.A. Galbreath shall immediately unite with applicant L.R. Kagarise in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants G.E. and L.A. Galbreath on the one hand withdrawing, and applicant L.R. Kagarise on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants G.E. and L.A. Galbreath shall immediately withdraw time schedules filed in their name with the Railroad Commission and applicant L.R. Kagarise shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants G.E. and L.A. Galbreath, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants G.E. and L.A. Galbreath 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 L.R. Kagarise 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 13<sup>th</sup> day  
of March 1933.

W. J. ...  
Leon ...  
W. B. ...  
W. B. ...  
Commissioners.