

Decision No. 25790

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
ROY STEELE to sell, and VALLEY MOTOR  
LINES, Inc., to purchase an automobile  
freight line, known and designated as the  
Fresno-Orange Cove Truck Line, operating  
between Fresno and Sultana, Grosi, Cutler,  
Orange Cove, Yettem, California, and  
intermediate points.

)  
) Application  
) No. 18765  
)

ORIGINAL

BY THE COMMISSION -

OPINION and ORDER

Roy Steele has petitioned the Railroad Commission for an order approving the sale and transfer by him to Valley Motor Lines, Inc. of an operating right for an automotive service for the transportation of property between Fresno and Sultana, Grosi, Cutler, Orange Cove, Yettem and intermediate points, and Valley Motor Lines, Inc. 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 \$738.00. This sum is declared to be the value of intangibles.

The operating right herein proposed to be transferred was created by Decision No. 22395, dated May 1, 1930, on Application No. 16466.

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.

Valley Motor Lines, Inc. 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 Roy Steele shall immediately unite with applicant Valley Motor Lines in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Roy Steele on the one hand withdrawing, and applicant Valley Motor Lines, Inc. on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Roy Steele shall immediately withdraw time schedules filed in his name with the Railroad Commission and applicant Valley Motor Lines, Inc. shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Roy Steele, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Roy Steele, 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 Valley Motor Lines, Inc. unless such vehicle is owned by said applicant or is leased by it under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this ~~3rd~~ <sup>April</sup> day of ~~April~~, 1933.

C. C. Seavey  
Leon C. Whittell  
M. H. King  
M. S. Hannon  
W. H. Hannon