

Decision No. 25859.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of BIRDIE M. MACY to lease and)
RICE TRANSPORTATION COMPANY, a)
corporation, to operate an auto-)
mobile freight line between)
Los Angeles and Sierra Madre, and)
intermediate points.)

Application
No. 18723.

Henry J. Bischoff and Davis & Thorne,
by L.S. Davis, for Applicant.

ORIGINAL

BY THE COMMISSION:

OPINION and ORDER

Birdie M. Macy has made application to lease to Rice Transportation Company, a corporation, her operating rights for an automotive service for the transportation of freight between Los Angeles, Pasadena and Sierra Madre and intermediate points authorized by Decision No. 11407, dated December 29, 1922, on Application No. 8303 and Decision No. 15798, dated December 28, 1925, on Application No. 11926.

A public hearing was conducted by Examiner Kennedy at Los Angeles.

Applicant Macy proposes to lease the operating right to Rice Transportation Company for a consideration of \$1.00 per year. In addition the Rice Transportation Company will pay her \$20.00 monthly rental for a period of three years for certain terminal properties in the City of Pasadena and will place her and her husband in charge of the Pasadena terminal.

The operations of applicant have been conducted for many years but the service has been conducted at such a serious financial loss that its maintenance thereof is threatened. The Rice Transportation Company possesses surplus equipment which can be used in the proposed service. It is the intention of applicant Macy to retain her own equipment and use it in local service in the

City of Pasadena.

The leasing of the right carries with it no changes in schedules or rates and no equipment is to be transferred.

There appears satisfactory evidence that the application should be granted and it will so be ordered.

Rice Transportation Company 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 Birdie M. Macy shall immediately unite with applicant Rice Transportation Company in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Birdie M. Macy on the one hand withdrawing, and applicant Rice Transportation Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Birdie M. Macy shall immediately withdraw time schedules filed in her name with the Railroad Commission and applicant Rice Transportation Company shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Birdie M. Macy, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Birdie M. Macy 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 Rice Transportation Company 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 24th day of

April 1933.

A. L. Leary
Leon Whidney
M. A. C.
M. B. Harris
M. H. [unclear]
Commissioners.