

Decision No. 25995.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of L.R. PRATHER to sell and
transfer and MELVIN W. PRATHER
to purchase and acquire the
interest of L.R. PRATHER in and
to an auto truck line for the
transportation of freight, operated
between Lakeport, Lake County and
Ukiah, Mendocino County and Kelsey-
ville, Lake County and Hopland,
Mendocino County and intermediate
points.

Application
No. 18898.

ORIGINAL

BY THE COMMISSION:

OPINION and ORDER

L.R. Prather has petitioned the Railroad Commission for an order approving the sale and transfer by him to Melvin W. Prather of a one-half interest in an operating right for an automotive service for the transportation of property between Lakeport and Ukiah and between Kelseyville and Hopland and intermediate points, and Melvin W. Prather 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 \$2500.00. Of this sum \$1500.00 is declared to be the value of equipment and \$1000.00 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was created by Decision No. 16449, dated April 9, 1926, on Application No. 11523.

We are of the opinion that this is a matter in which in which a public hearing is not necessary and that the application should be granted.

Melvin W. Prather 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 L.R. and Melvin W. Prather shall immediately unite with applicant Melvin W. Prather in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants L.R. and Melvin W. Prather on the one hand withdrawing, and applicant Melvin W. Prather on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicants L.R. and Melvin W. Prather shall immediately withdraw time schedules filed in their name with the Railroad Commission and applicant Melvin W. Prather shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicants L.R. and Melvin W. Prather, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants L.R. and Melvin W. Prather 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 Melvin W. Parther 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 29th day
of May 1933.

J. L. Leary

W. J. Linn

M. B. Lanning

Robert M. Ware
Commissioners.