

Decision No. 2831

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }  
PAUL KENT TRUCK CO., INC., TO lease }  
with option to sell to A. K. RICHARDS, }  
doing business under the fictitious }  
firm name and style of KENT TRUCK & } Application No. 19060  
RIGGING CO., operative rights for the }  
transportation of property in Southern }  
California. }

BY THE COMMISSION -

OPINION and ORDER

Paul Kent Truck Co., Inc. has petitioned the Railroad Commission for an order approving the lease and contingent sale and transfer by it to A. K. Richards, operating under the fictitious name Kent Truck & Rigging Co., of an operating right for an automotive service for the transportation of property between Los Angeles and San Pedro and Wilmington, and A. K. Richards has petitioned for authority to lease, 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 set forth in the contract is an amount equal to \$2500 plus rental prior to purchase at the rate of \$25.00 monthly. Purchaser may at any time, during a period of one year, exercise option to purchase for the sum stated. The lease and option period may be extended one year at the election of lessee. No equipment is to be transferred.

The operating right herein proposed to be transferred was created by bona fide operation prior to May 1, 1917, and was confirmed by Decision No. 12823, Case No. 1871 (C.R.C. 24, 116).

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.

A. K. Richards 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 Paul Kent Truck Co., Inc. shall immediately unite with applicant A. K. Richards in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Paul Kent Truck Co. on the one hand withdrawing, and applicant A. K. Richards on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Paul Kent Truck Co., Inc. shall immediately withdraw time schedules filed in its name with the Railroad Commission, and applicant A. K. Richards shall immediately file, in duplicate, in his own name time schedules covering service heretofore given by applicant Paul Kent Truck Co., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Paul Kent Truck Co. 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 A. K. Richards 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 2<sup>d</sup> day of September  
1933.

C. S. Lewis

W. H. A. Lewis

W. B. Lewis

COMMISSIONERS.