

Decision No. 28721

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
G. A. REICHMAN to sell, and R. G.
BAKER and D. M. BAKER to purchase
an automobile passenger and freight
line operated between Yreka and Etna,
California.)
Application No. 19252)

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

G. A. Reichman has petitioned the Railroad Commission for an order approving the sale and transfer by him to R. G. Baker and D. M. Baker, co-partners, of an operating right for an automotive service for the transportation of passengers and property between Yreka and Etna, via Fort Jones, and R. G. Baker and D. M. Baker, co-partners, have 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. Applicants advise the Commission that this contract has been revised to bring all payments within a period of twelve (12) months.

The consideration to be paid for the property herein proposed to be transferred is given as \$1000.00, which is declared to be the value of intangibles. No equipment is to be transferred.

The operating right herein proposed to be transferred was created by operations by Peters and Reichman prior to May 1, 1917, and by transfer to G. A. Reichman by Decision No. 9296, dated July 30, 1921, on Application No. 6965.

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.

R. G. and D. M. Baker are 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 G. A. Reichman shall immediately unite with applicants R. G. and D. M. Baker in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant G. A. Reichman on the one hand withdrawing, and applicants R. G. and D. M. Baker on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant G. A. Reichman shall immediately withdraw time schedules filed in his name with the Railroad Commission, and applicant R. G. and D. M. Baker shall immediately file, in duplicate, in their own names time schedules covering service heretofore given by applicant G. A. Reichman, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant G. A. Reichman, 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 applicants R. G. and D. M. Baker unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 15th day of January, 1934.

C. Henry
Leon Whidwell
M. H. [unclear]
M. B. Harris
[unclear]
COMMISSIONERS.