

Decision No. 26853

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
HESS LUMBER COMPANY to sell, and  
PACIFIC MOTOR TRUCKING COMPANY to  
acquire and operate the operative  
rights for motor truck service of the  
former between Bishop and Laws, California,  
and to consolidate such rights with the  
operative rights already held by  
Pacific Motor Trucking Company in said  
territory.

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) Application  
) No.19340  
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**ORIGINAL**

BY THE COMMISSION -

OPINION and ORDER

Hess Lumber Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Pacific Motor Trucking Company, a corporation, of an operating right for an automotive service for the transportation of property between Bishop and Laws, and Pacific Motor Trucking Company 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 \$75.00. This sum 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 Decision No.7152, on Application No.4410, and Decision No.16910, on Application No.12907.

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.

Pacific Motor Trucking 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, and the right herein transferred consolidated with rights granted Pacific Motor Trucking Company by Decisions Nos. 22183 and 23254, on Application No. 16323, and Decision No. 26017, on Application No. 18892, 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 Hess Lumber Company shall immediately unite with applicant Pacific Motor Trucking Company in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Hess Lumber Company on the one hand withdrawing, and applicant Pacific Motor Trucking Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Hess Lumber Company shall immediately withdraw time schedules filed in its name with the Railroad Commission and applicant Pacific Motor Trucking Company shall immediately file, in duplicate, in its own name time schedules covering service heretofore given by applicant Hess Lumber Company, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Hess Lumber Company, 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 Pacific Motor Trucking 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 12<sup>th</sup> day of March, 1934.

O. C. Leary  
Leon Whitely  
M. A. L.  
M. B. Lewis  
COMMISSIONERS.