

Decision No. 27135

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
RED LINE EXPRESS, a copartnership,)
to sell, and F. F. Sullivan to) Application
purchase an automobile freight line) No. 19467
operated between Lancaster, California,)
and Los Angeles, California.)

BY THE COMMISSION -

OPINION and ORDER

Olevah M. Coates, Receiver of the copartnership of F. F. Sullivan and Bertha L. De Long, operating under the name of Red Line Express, has petitioned the Railroad Commission for an order approving the sale and transfer by her to F. F. Sullivan of an operating right for an automotive service for the transportation of property between Los Angeles and Lancaster and certain intermediate points, and F. F. Sullivan 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 interlocutory decree of dissolution of said copartnership and an order confirming sale of the assets of said partnership to F. F. Sullivan, attached to the application and marked Exhibits "A" and "B".

The consideration to be paid for the property herein proposed to be transferred is given as \$2000.00. No segregation of value of the assets was made by the Court.

The operating right herein proposed to be transferred was created in the copartnership by Decision No. 21448, dated August 12, 1929, on Application No. 15856.

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.

F. F. Sullivan 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 Olevah M. Coates, Receiver of the co-partnership of F.F.Sullivan and Bertha L. De Long, shall within twenty (20) days after the effective date of the order unite with applicant F.F.Sullivan in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferréd, applicant Olevah M. Coates, Receiver of the co-partnership of F.F. Sullivan and Bertha L. De Long, on the one hand withdrawing, and applicant F.F.Sullivan on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Olevah M. Coates, Receiver of the co-partnership of F.F.Sullivan and Bertha L. De Long, shall within twenty (20) days after the effective date of the order withdraw time schedules filed in the names of F. F. Sullivan and Bertha L. De Long, co-partners, with the Railroad Commission, and applicant F.F.Sullivan shall within twenty (20) days after the effective date of the order file, in duplicate, in his own name time schedules covering service heretofore given by applicant Olevah M. Coates, Receiver of the co-partnership of F.F.Sullivan and Bertha L. De Long, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Olevah M. Coates, Receiver of the co-partnership of F.F.Sullivan and Bertha L. De Long, 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 F.F.Sullivan 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.

6. The authority granted to sell and transfer the operating right and/or property shall lapse and be void if the parties hereto shall not have complied with all the conditions within the periods of time fixed herein unless, for good cause shown, the time shall be extended by further order of the Commission.

Dated at San Francisco, California, this 7th day of June, 1934.

W. C. Sawyer
John O'Whirley
M. J. Ann
M. B. Harris
J. McLaughlin
COMMISSIONERS.