

Decision No. 27189

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
CITIZENS TRUCK CO., LTD., a corporation,  
and CARL B. AND ESTELLA TRUEBLOOD  
to transfer and lease to RICE TRANSPORTATION  
COMPANY, a corporation, operative rights  
for the transportation of property in  
Southern California. )  
Application  
No. 19508

BY THE COMMISSION -

OPINION and ORDER

Citizens Truck Co., Ltd. and Carl B. Trueblood and Estella Truebloof have petitioned the Railroad Commission for an order approving the sale and transfer by them to Rice Transportation Company, a corporation, of operating rights for an automotive service for the transportation of passengers and property between Los Angeles, Montebello and Whittier, and Rice Transportation Company has petitioned for authority to lease and conditionally purchase and acquire said operating rights 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 \$5000.00, which sum is declared to be the value of intangibles. No equipment is involved.

The transaction here presented is in effect a transfer of the lease and optional purchase by which Citizens Truck Co., Ltd. acquired the operating rights of the Truebloods, to Rice Transportation Company. Under the lease Citizens Truck Co., Ltd. was to pay \$100 a month for 36 months and acquire absolute title by the further payment of \$1400.00. Applicant Rice Transportation Company agrees to take over this lease and assume future payments and to repay, at the rate of \$100.00 a month \$1500.00 already advanced as rental by Citizens Truck Co., Ltd.

The operating rights herein proposed to be transferred were established by virtue of operations prior to May 1, 1917, and by Decision No.26082, dated June 19, 1933, on Application No.18936.

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.

Rice Transportation 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, 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 Citizens Truck Co. Ltd. and Carl B. and Estella Trueblood shall within twenty (20) days after the effective date of the order unite with applicant Rice Transportation Company in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Citizens Truck Co. Ltd. and Carl B. and Estella Trueblood on the one hand withdrawing, and applicant Rice Transportation Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicant Citizens Truck Co., Ltd. and Carl B. and Estella Trueblood shall within twenty (20) days after the effective date of the order withdraw time schedules filed in their names with the Railroad Commission and applicant Rice Transportation Company shall within twenty (20) days after the effective date of the order file, in duplicate, in its own name time schedules covering service heretofore given by applicants Citizens Truck Co. Ltd. and Carl B. and Estella Trueblood, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the names of applicants Citizens Truck Co. Ltd. and Carl B. and Estella Trueblood, 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 Rice Transportation 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.

6. The authority granted to sell and transfer the rights 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 2<sup>d</sup> day of

July, 1934.

C. A. Lawrence

M. H. Lee

W. B. Harrison

COMMISSIONERS.