

Decision No. 27136

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CITIZENS TRUCK CO., LTD., to lease,
with option to purchase, to Rice
Transportation Company, operative
rights between Los Angeles and Long
Beach on the one hand, and Long Beach
and Los Angeles Harbor on the other
hand.

}
} Application No.19509
}

BY THE COMMISSION -

OPINION and ORDER

Citizens Truck Co., Ltd. has petitioned the Railroad Commission for an order approving the lease and conditional sale and transfer by it to Rice Transportation Company, a corporation, of separate operating rights for an automotive service for the transportation of passengers and property between Los Angeles and Long Beach and Long Beach and Los Angeles harbor district, via Anaheim Road, and Rice Transportation Company has petitioned for authority to lease and acquire said operating rights and to hereafter operate thereunder, the lease 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 \$9300.00, which is declared to be the value of intangibles. No equipment is involved. The purchaser agrees to pay \$200 monthly for 3 years and may complete purchase by paying \$2100 additional at the rental period, or earlier, by paying an amount equal to the rental and the final amount.

The operating rights herein proposed to be transferred were created by Decision No.24304, dated December 14, 1931, on Application No.17836.

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. Applicant Citizens Truck Co., Ltd., 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 leased, applicant Citizens Truck Co., Ltd. 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. shall within twenty (20) days after the effective date of the order withdraw time schedules filed in its name 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 applicant Citizens Truck Co., Ltd., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Citizens Truck Co., Ltd., 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 lease 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^d day of July,
1934.

C. Seaver

W. H. Cunn

M. B. Harris

Commissioners.