

Decision No. 27329

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of)

R. G. BAKER and D. M. BAKER to)
Sell and L. H. AYRES to Purchase)
Automobile, Passenger and Freight)
Line Operating between Yreka and)
Etna, California.)

Application No. 19542.

BY THE COMMISSION:

ORIGINAL

OPINION and ORDER.

R. G. Baker and D. M. Baker, copartners, have petitioned the Railroad Commission for an order approving the sale and transfer by them to L. H. Ayres of operating rights for an automotive service for the transportation of passengers and property between Yreka and Etna via Fort Jones and L. H. Ayres has petitioned for authority to 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 \$1,000.00, which is declared to be the value of operating rights. No equipment is to be transferred.

The operating rights herein proposed to be transferred were created by Decision No. 26721, dated January 15, 1934, on Application No. 19252, wherein all rights were transferred by G. A. Reichman to R. G. Baker and D. M. Baker. In a supplementary application Reichman agrees to the transfer sought herein. Applicant Ayres will assume the duties and obligations of the Bakers for the completion of the purchase. As part of the obligation -~~\$~~450.00- is evidenced by

a note payable in four years, a fee will be required.

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.

L. H. Ayres 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 R. G. Baker and D. M. Baker, shall within twenty (20) days after the effective date of the order unite with applicant L. H. Ayres in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants R. G. Baker and D. M. Baker on the one hand withdrawing, and applicant L. H. Ayres on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants R. G. Baker and D. M. Baker 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 L. H. Ayres 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 applicants R. G. Baker and D. M. Baker, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants R. G. Baker and D. M. Baker 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 L. H. Ayres 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. This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act and the Auto Stage and Truck Transportation Act to be paid on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.

7. 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 4th day of September
1934.

Leon A. Wiley

W. J. Carr

M. B. Harris

M. B. Harris

Commissioners.

