

Decision No. 27492

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
E. A. EADES to sell and OTIS E. HINES)	
to purchase an undivided one-half)	Application
interest in an automobile freight line)	No. 19596
operating between Alturas and Bieber,)	
California.)	

BY THE COMMISSION -

OPINION and ORDER

ORIGINAL

E. A. Eades has petitioned the Railroad Commission for an order approving the sale and transfer by him to Otis E. Hines of one-half interest in an operating right for an automotive service for the transportation of passengers and express between Alturas and Bieber, and intermediate points of Canby, Adin and Lookout, and Otis E. Hines has petitioned for authority to purchase and acquire said one-half interest in 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 \$250.00, which is declared to be the value of the operating right. No equipment is involved.

Applicants have been co-partners and Eades is retiring from the business.

The operating right herein proposed to be transferred was created in applicants by Decision No.23236, dated December 30, 1930, on Application No.17059.

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.

Otis E. Hines 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 E. A. Eades and Otis E. Hines shall within twenty (20) days after the effective date of this order unite with applicant Otis E. Hines in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants E. A. Eades and Otis E. Hines on the one hand withdrawing, and applicant Otis E. Hines on the other hand accepting and establishing such tariffs and all effective supplements thereto.

3. Applicants E. A. Eades and Otis E. Hines 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 Otis E. Hines 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 E. A. Eades and Otis E. Hines, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants E. A. Eades and Otis E. Hines, 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 Otis E. Hines 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.

Dated at San Francisco, California, this ¹⁷ 29 day of September 1954.

Leon Swadlow

M. A. ...

M. B. ...

COMMISSIONERS.