

Decision No. 27428

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
IRA E. TEATCEER, owner, and RONALD  
H. BEDDOE, lessee, to sell; and  
ELMER W. OWEN to purchase an automobile  
passenger and freight line operated  
between Chico and Stirling City,  
California. )  
 )  
 ) Application  
 ) No. 19631  
 )  
 )

BY THE COMMISSION -

OPINION and ORDER

Ira E. Thatcher, owner, and Ronald H. Beddoe, lessee, have petitioned the Railroad Commission for an order approving the sale and transfer by them to Elmer W. Owen of an operating right for an automotive service for the transportation of passengers and property between Chico and Stirling City and intermediate points, and Elmer W. Owen 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 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 \$460. Of this sum \$135 is declared to be the value of equipment and \$325. is declared to be the value of intangibles.

By the agreement Thatcher sells to Beddoe all his interest (which was under lease to Beddoe) and Beddoe transfers the right clear to Owen.

The operating right herein proposed to be transferred was created by Decision No. 21216, on Application No. 15634, and Decision No. 25333, on Application No. 18424.

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.

Elmer W. Owen 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 Ira E. Thatcher and Ronald E. Beddoe shall within twenty (20) days after the effective date of the order unite with applicant Elmer W. Owen in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants Ira E. Thatcher and Ronald E. Beddoe on the one hand withdrawing, and applicant Elmer W. Owen on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants Ira E. Thatcher and Ronald E. Beddoe 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 Elmer W. Owen 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 Ira E. Thatcher and Ronald E. Beddoe, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants Ira E. Thatcher and/or Ronald E. Beddoe, 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 Elmer W. Owen 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 8th day of October, 1934.

Leon C. Whaley  
W. B. H. P. P.  
W. B. H. P. P.  
W. B. H. P. P.

COMMISSIONERS.