

Decision No. 27450

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
HOWARD W. WHITE to sell and F. J.
LAWRENCE and FORREST STEWARD to
purchase an automobile passenger line
between Palo Alto, U.S. Veterans
Hospital No. 24, Bellehaven City and
Coleman Avenue, California.

)
Application No. 19649.

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

Howard W. White has petitioned the Railroad Commission for an order approving the sale and transfer by him to F. J. Lawrence and Forrest Steward of an operating right for an automotive service for the transportation of passengers and property between Palo Alto and U.S. Veterans' Hospital No. 24, Bellehaven City and Coleman Avenue and F. J. Lawrence and Forrest Steward have 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 \$2500.00. Of this sum \$2000.00 is declared to be the value of equipment and \$500.00 is declared to be the value of intangibles. In addition purchasers assume an indebtedness of \$327.00 on equipment and agree to honor all valid outstanding tickets issued by the seller. A provision limiting such tickets to \$30 was eliminated by purchasers by

amendment filed by them October 17, 1934.

The operating right herein proposed to be transferred was created by Decision No. 26874, dated March 19, 1934, on Application No. 19348.

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.

F. J. Lawrence and Forrest Steward are 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 Howard W. White shall within twenty (20) days after the effective date of the order unite with applicants F. J. Lawrence and Forrest Steward in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant H. W. White on the one hand withdrawing, and applicants F. J. Lawrence and Forrest Steward on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Howard W. White shall within twenty (20) days after the effective date of the order withdraw time schedules filed in his name with the Railroad Commission and applicants F. J. Lawrence and Forrest Steward shall within twenty (20) days after the

effective date of the order file, in duplicate, in their own names time schedules covering service heretofore given by applicant Howard W. White, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Howard W. White, 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 applicants F. J. Lawrence and Forrest Steward unless such vehicle is owned by said applicants or is leased by them under a contract or agreement on a basis satisfactory to the Railroad Commission.

Dated at San Francisco, California, this 22nd day of October, 1934.

Leon White

M. J. Carr

M. B. Harris

Walter B. ...

Stewart R. ...

COMMISSIONERS.