

Decision No. 27584

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
MOTOR TRANSPORTATION COMPANY, LTD. to )  
sell and the SECURITY VAN AND STORAGE )  
COMPANY, INC. to purchase an automobile )  
freight line operated between Los Angeles )  
on the one hand and Venice, Ocean Park )  
and Santa Monica and intermediate points )  
on the other hand, and for authority to )  
consolidate operating rights and to )  
conduct future operations as one unified )  
system. )

Application  
No.19734

**ORIGINAL**

BY THE COMMISSION -

OPINION and ORDER

Motor Transportation Company, Ltd., a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to Security Van and Storage Company, a corporation, of an operating right for an automotive service for the transportation of property between Los Angeles and Venice, Ocean Park and Santa Monica and all intermediate points, and Security Van and Storage Company 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 \$250.00. Of this sum \$230.00 is declared to be the value of equipment and \$20.00 is declared to be the value of intangibles.

The operating right herein proposed to be transferred was created by Decision No.21855, dated December 2, 1929, on Application No.16107. Applicants also request consolidation of the right transferred with those of the buyer, as such rights were authorized by Decision No.13625, dated May 28, 1924, on Application No.10097. The request will be granted as the two corporations are identical in ownership.

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.

Security Van and Storage 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 Motor Transportation Company, Ltd. shall within twenty (20) days after the effective date of the order unite with applicant Security Van and Storage Company in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Motor Transportation Company, Ltd. on the one hand withdrawing, and applicant Security Van & Storage Company on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Motor Transportation Company, 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 Security Van & Storage 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 Motor Transportation Company, Ltd., which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Motor Transportation Company, 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 Security Van and Storage 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.

Dated at San Francisco, California, this 10th day of December, 1934.

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