Decision No. 27721.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of JOHN A. BROWN (NORTHWEST FORWARDERS) to sell, and ROBERT G. ANDERSON and JOHN V. ANDERSON to purchase an express corporation operated between San Francisco, Los Angeles, San Diego and southern points.

Application No. 19787.

GRIGINAL

BY THE COMMISSION:

OPINION AND ORDER

John A. Brown has petitioned the Railroad Commission for an order approving the sale and transfer by him to Robert G. Anderson and John V. Anderson of an operating right for and equipment used in the business of transporting property between San Francisco and Los Angeles, San Diego and other points in Southern California; and Robert G. Anderson and John V. Anderson have petitioned for authority to purchase and acquire said operating right and equipment and hereafter to 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. Of this sum \$500.00 is declared to be the value of equipment and \$500.00 is declared to be the value of intangibles.

The operating right herein proposed to be transferred is seid to have been created by virtue of operations carried on prior to the effective date of Section 50(f) of the Public Utilities Act.

We are of the opinion that this is a matter in which a public

1.

hearing is not necessary and that the application should be granted.

Applicants 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.

Applicants are furthermore placed on notice that the authority herein granted is not to be construed as a determination by the Commission of the extent of the operating right here involved.

IT IS HEREBY ORDERED that the above entitled application be and it 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 John A. Brown shall within twenty (20) days after the effective date of the order unite with applicants Robert G. Anderson and John V. Anderson in common supplement to the tariff on file with the Commission covering service herein authorized to be transferred, applicant John A. Brown on the one hand withdrawing and applicants Robert G. Anderson and John V. Anderson on the other hand accepting and establishing such tariff and all effective supplements thereto.
- 3. 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.
- 4. 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 <u>4776</u> day of February, 1935.

n Oll

Commissioner

3.