

Decision No. 28038

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
I. P. LITRELL to sell, and  
GEORGE S. BUTLER to purchase the  
partnership interest in an automobile  
freight line operated between Eureka  
and Crescent City, California.

)  
)  
) Application No.19985  
)  
)

**ORIGINAL**

BY THE COMMISSION -

O P I N I O N

I. P. Littrell and M. R. Helsley have petitioned the Railroad Commission for an order approving the sale and transfer by them to George S. Butler of the undivided one-half partnership interest of I. P. Littrell in an operating right for an automotive service for the transportation of property between Eureka and Crescent City and all intermediate points via the main highway through Klemath, Orick and Crannell Junction, and George S. Butler has petitioned for authority to purchase and acquire said undivided one-half partnership 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 \$7500.00. Of this sum \$4000.00 is declared to be the value of equipment and \$3500.00 is declared to be the value of intangibles. It is reported that of the total purchase price, \$6500. is payable in cash, \$500. will be due and payable on November 15, 1935, and \$500. on May 15, 1936.

The operating right herein proposed to be transferred was created by Decision No.22596, dated June 30, 1930, on Application No.16632.

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.

George S. Butler 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.

O R D E R

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 M. R. Helsley and I. P. Littrell shall within twenty (20) days after the effective date of the order unite with applicants M. R. Helsley and George S. Butler in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicants M. R. Helsley and I. P. Littrell on the one hand withdrawing, and applicants M. R. Helsley and George S. Butler on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicants M. R. Helsley and I. P. Littrell shall within twenty (20) days after the effective date of the order withdraw time schedules filed in their names with the Railroad Commission, and applicants M. R. Helsley and George S. Butler 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 applicants M. R. Helsley and I. P. Littrell, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicants M. R. Helsley and I. P. Littrell, 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 M. R. Helsley and George S. Butler 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.

6. The authority granted to sell and transfer the right 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 17th day of June, 1935.

Leon Whitely  
M. D. Lee  
M. S. Lewis  
Frank R. M. M.  
COMMISSIONERS.