

Decision No. 28079

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
TAHOE TRANSPORTATION COMPANY to sell
and F. A. LATHE to purchase an auto-
mobile freight line operated between
Tahoe City and Lakeside and Fallen
Leaf Lake and between Tahoe City and
Brockway, California.

)
)
) Application
) No. 20,004
)
)

BY THE COMMISSION -

O P I N I O N

ORIGINAL

Tahoe Transportation Company, a corporation, has petitioned the Railroad Commission for an order approving the sale and transfer by it to F. A. Lathe of an operating right for an automotive service for the transportation of property between Tahoe City and Brockway and Fallen Leaf Lake, and F. A. Lathe 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 \$9000.00, which amount includes non-operative property and the exact consideration for the operative right is not segregated. The gross amount, however, is payable over a period of eight years.

The operating right herein proposed to be transferred was created by Decision No.19146, dated December 23, 1927, on Application No.12987.

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. A. Lathe 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.

C R D E R

IT IS HEREBY ORDERED that the above entitled application be and the same is hereby granted together with authority for the parties to execute the agreement marked Exhibit "A", attached to the application, 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 Tahoe Transportation Company shall within twenty (20) days after the effective date of the order unite with applicant F. A. Lathe in common supplement to the tariffs on file with the Commission covering service given under certificate herein authorized to be transferred, applicant Tahoe Transportation Company on the one hand withdrawing, and applicant F. A. Lathe on the other hand accepting and establishing such tariffs and all effective supplements thereto.
3. Applicant Tahoe Transportation Company 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 F. A. Lathe 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 applicant Tahoe Transportation Company, which time schedules shall be identical with the time schedules now on file with the Railroad Commission in the name of applicant Tahoe Transportation Company, 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 F. A. Lathe 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.

6. This order shall not become effective until there has been paid to the Railroad Commission the fee required by the Public Utilities Act and the Auto Stage and Truck Transportation Act to be paid on all evidences of indebtedness extending over a period of one year, in this instance the minimum fee of \$25.00.

7. 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 20th day of June, 1935.

M. Blum
John R. Sullivan
COMMISSIONERS

\$25.00
RAILROAD COMMISSION
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